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CONTENTS

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POLITICAL

BELGIUM

- Spitaels on Relations With SP, PSC, Unemployment Figures
[Guy Spitaels Interview; KNACK, 16 Sep 87] 1
- Shiltz Gives Views on Future of State Structures *[Hugo Schiltz Interview; LE SOIR, 2 Nov 87]* 2

GREECE

- Papandreou Seen Not Heeding Political Signals
[Panos Loukakos; KYRIAKATI KI ELEVTHEROTYPIA, 18 Oct 87] 4
- Tendency to Escapism Seen in Papandreou's Recent Actions
[Rodolfos Moronis; I VRADYNI, 17 Oct 87] 5
- Renewed Government Initiatives Noted in All Fields
[Mikh. Dimitrios; Athens TO VIMA, 25 Oct 87] 6
- Parties', Leaders' Positions on National Issues *[KYRIAKATI KI ELEVTHEROTYPIA, 25 Oct 87]* 7
- Simple Proportional Electoral System: Comments, Opinions 10
- Options Background *[Mikh. Dimitriou; TO VIMA, 18 Oct 87]* 10
- Caution Urged for ND *[Stamos Zoulas; I VRADYNI, 19 Oct 87]* 13
- Poll Reveals Better Public Receptiveness of ND *[Athens I KATHIMERINI; 27 Oct 87]* 14
- Poll Shows ND Gaining Steadily *[Giannis Loverdos; I KATHIMERINI, 1-2 Nov 87]* 15
- PASOK Gains Seen as KKE Losses *[Rodolfos Moronis; I VRADYNI, 31 Oct 87]* 16

ITALY

- PCI Intellectual Notes Lack of Party Identity, Ideology
[Roberto Cotroneo; L'ESPRESSO, 1 Nov 87] 17

PORTUGAL

- Alleged Anti-NATO, Pro-Libyan Azorean Separatists' Attitude 20
- Change of Orientation *[TEMPO, 15 Oct 87]* 20
- Reported Libyan Support *[TEMPO, 29 Oct 87]* 21

MILITARY

FRANCE

- Multiple Launch Rocket System Production Begins *[L'USINE NOUVELLE, 1 Oct 87]* 22
- Construction Begins on New Tank Landing Craft (CDIC) *[COLS BLEUS, 12 Sep 87]* 22
- Thomson-CSF Tank Simulators for U.S. Army *[LE NOUVEL ECONOMISTE, 18 Sep 87]* 23
- Thomson-CSF Announces Employment Cuts *[Alain Cutuil; OUEST-FRANCE, 19-20 Sep 87]* 23

ECONOMIC

GREECE

- USSR Ambassador Calls for Increased Economic Ties *[TO VIMA, 1 Nov 87]* 25
- Reason for Low Productivity Attributed to Politics
[K. Kolmer; MESIMVRINI in Greek, 21 Oct 87] 25

Advantages Deriving From Alumina Plant Operations [G. Kralogos; Athens TO VIMA, 25 Oct 87]	27
---	----

NETHERLANDS

Ruding, De Vries Differ on Extent of Budget Cuts Needed	27
De Vries' Norm [Kees van der Mulen; NRC HANDELSBLAD, 7 Oct 87]	27
Ruding Wants More Cuts [NRC HANDELSBLAD, 8 Oct 87]	28

PORTUGAL

Statistics on Trade Deficit, Trading Partners [DIARIO DE LISBOA, 22 Oct 87]	29
Angolan Crude Used To Settle Outstanding Debt [Antonio Camoes; SEMANARIO, 24 Oct 87]	30
ERDF Grant for Energy, Transportation Infrastructures [O JORNAL, 30 Oct 87]	30

BELGIUM

Spitaels on Relations With SP, PSC, Unemployment Figures

36140004 Brussels KNACK in Dutch
16 Sep 87 pp 35-36

[Article and interview with Walloon Socialist Party chairman Guy Spitaels, by Jos Grobben: "Six Years of Martens Means 268,000 More Unemployed!"; first paragraph is introduction]

[Text] The chairman of the country's largest opposition party on Martens' new clan, Happart, his unemployment figures and tax reform.

Since his resounding victory at the PS congress last spring, chairman Guy Spitaels has faced little internal opposition. His relationship with the Flemish socialists has improved considerably. Even though Spitaels is not very happy with the sporadic attacks that still take place, such as the one by SP parliamentary caucus chairman Louis Tobback last week in this magazine: "I do know that Tobback has a malicious temperament, but he is serving no one's cause by accusing us of being against everything. This does not improve relations between the opposition and the ruling parties, nor between the PS and SP. Indeed, I might point out to him that the PS, which represents 40 percent of the Walloon population, doesn't have any lessons to learn from a party that represents only 23 percent." Furthermore, the PS is not facing frightening opinion polls, and Spitaels can quietly bask in the idea that he will still have to be reckoned with in regional matters (Happart, education...).

This the good news from Keizerslaan. Less reassuring is the fact that Wilfried Martens, in his now-classic vacation interviews, is showing new vigor in resisting a possible change of coalition. In his mind, Walloon socialism has become nearly synonymous with political nihilism, and if Spitaels wants to continue to wallow exclusively in the Happart affair, then that is up to him, but you'll never get into the coalition that way, according to Martens.

[Spitaels] I have also read that Martens is going to give new life to his coalition, but unfortunately I have searched in vain for what he means by that. Aside from that, those were talks in the typically authoritarian style of a prime minister, which the head of your magazine calls a chancellor. Whenever the opposition plays its own role, he gets irritated by even that. He displays an extraordinary petulance towards everything that does not suit his purposes. Well, there are countries, such as Spain, where his friends are in the opposition, and I don't see Felipe Gonzales treating them with the degree of contempt with which Martens treats his opposition. Fine, we criticize, that's even expected of us, but it is constructive criticism. We came to Hertoginnedal with concrete proposals. We said, no, the cutbacks should

amount to 120 billion francs, not 194. Those weren't reckless slogans, we explained our proposals item by item. Martens' criticism is thus simply ridiculous.

[KNACK] So you think that you are being unjustly pinned down to Happart?

[Spitaels] Certainly. Who is it that is constantly talking about Happart? Martens. Read those vacation interviews about that subject. What are the majority of his words devoted to? He perpetually comes back to it, and he is right to do so, because there is little to be said about his budget and about tax matters. Apart from that, I was pleased to hear that Philippe Bodson of the VBO shares my opinion when Martens talks about putting a so-called halt to the snowball effect with respect to the budget deficit. He is really talking nonsense.

If I may summarize... In other countries, the opposition is treated by the prime minister with a great deal more courtesy. Secondly, it is Martens who is constantly dragging up the Happart affair, not us. And thirdly, we are pursuing a constructive policy, just look at our proposals on taxes and the budget.

[KNACK] Are you also put out by the quasi-permanent, albeit small attacks by Flemish politicians, such as Minister of Transport Herman de Croo, who in an interview tried to pillory you as being jointly responsible for the current failure of the NMBS [National Society of Belgian Railroads]?

[Spitaels] Let's call a spade a spade: It was Jos Chabert and no one else who at that time did massive recruiting at the NMBS, not me. These attacks, which always go back to the period of 7 or 8 years ago, are not only unjust but also very much below the belt. I'm not losing sleep over it; I am looking for results from a certain policy. For example, after 6 years there is very little to look at. As for the rest? Oh, it's all talk by politicians, and not too much attention should be paid to it.

[KNACK] It is obvious that attention is in fact being paid to what you say. Based on your statements and positions, Martens is no longer willing to go along with the PS.

[Spitaels] I have a very short response to that. He should not be making that decision, the voters should, and when I analyze the polls I am the one who does not need to be too concerned.

Putrefied Issue

[KNACK] You continue to say that Happart is not primarily your concern, but that of the government.

[Spitaels] That's the way it is. Happart is still a member of the PS, but I have already said a thousand times that this party has never supported the demands of Retour a Liege. This problem has weighed on national politics for

far to long, the issue is completely putrefied. I am prepared to sit down and discuss it, but I'm afraid that it will be linked to several other bigger and more important issues.

[KNACK] Such as the new state reform that you are pursuing?

[Spitaels] It's not only me, this is probably one area in which the interests of the PS and those of the majority of the Flemish population run parallel. Take the 10 percent donations, which are inadequate and in need of a redistribution. The Flemings will say at first, "Everyone with his own funding, and we will start out with the solidarity principle." The result will be a mix of the two.

However, if you let this issue drop for 6 years and you decide to suddenly go at it now, you can't expect us to get enthusiastic just like that and give an unconditional yes. It would be completely different if this issue had been discussed, say, during a coalition formation.

[KNACK] So do you have a preference for a potential liberal or Catholic partner?

[Spitaels] I have two goals. The first goes back to solving the financial and economic problems, especially unemployment, which is growing every day. Secondly, I want to break through the regional impasse that is paralyzing our country. Just imagine: Martens can't even go visit Ronald Reagan because of it. The word "icebox" was thought up for this earlier; it is high time that we genuinely drag these problems out of the icebox. Time will tell us who the most suitable partner for us might be.

Demagogy

[KNACK] The latest reports on unemployment seem to be in a certain sense encouraging.

[Spitaels] People are allowing the wool to be pulled over their eyes. Statistics are manipulated, the unemployed are given new names.... The true figures, those are the decisive ones, and I have access to them. They show beyond all doubt that unemployment has risen for 6 years, that the broad package of benefits paid out has gone up continually, and I challenge anyone to prove that my figures are wrong. If a government stays in office for only 2 years and there is no turnaround in the unemployment figures, then one could blame it on mitigating circumstances, but after 6 years that is simply impossible. The result of the neo-liberal approach is that there are now 268,000 unemployed people more than there were during the socialist term, 418,000 in the first trimester of 1980 compared to 686,000 in the same period of this year.

No one mentions these figures, which I am providing for your readers, nor do I hear anything more about those courageous and wonderful plans to not saddle our children with debts that can never be paid off. These

problems simply do not exist any more. We are in a pre-electoral period, and suddenly 80 billion francs has been thrown out on the table, while we don't have even half of it. This is nothing more than demagogy.

3 = 75

[KNACK] Does that mean that you are against tax reform?

[Spitaels] Certainly not. We agree that the burden from taxes and quasi-taxes has become untenable over the last 6 years. In 1981, 1.6 trillion francs was collected in taxes and social security, and today that figure is 2.4 trillion. However, our problem is that there is no definitive script concerning the reforms, it simply changes every week. What is going to happen? I read the statements by Mark Eyskens in GAZET VAN ANTWERPEN, and they are nothing like the decisions made by the government in early August. So who is right, the government or the minister of finance?

When that script is finally there, we will introduce amendments and clearly say how, what and for whom there is money.

[KNACK] Not for the cadre. What are you going to change there?

[Spitaels] It is a liberal myth that the PS is against the cadre. Don't forget that we have been an outspoken proponent of decumulation for everyone since October 1986. What we are going to try to change is a major injustice in these plans. Currently 75 percent of the population, who earn 750,000 francs or less net, would receive 25 billion. That is exactly the same as the three percent of Belgians who earn one and a half million net. Where is the justice in reasoning that 3 equals 75? It is not ethically responsible.

12271

Shiltz Gives Views on Future of State Structures 36190002 Brussels LE SOIR in French 2 Nov 87 p 2

[Interview with Hugo Schiltz by Charles Bricman and Guy Duplat: To Get Dialogue Going Again, Schiltz Tells French Speakers What Flanders Wants; date and place not specified.]

[Text] Hugo Schiltz walked into LE SOIR's offices at coffee time the day before yesterday. He took a few cards covered with his writing out of his pocket. "All right," he began, "I want to make an effort to tell French speakers what I believe. I am not speaking only for myself. What I have to tell you is what Flanders wants. It may seem hard, or even brutal, but I must warn you not to be taken in by what the self-proclaimed moderates say. Everything I bring up today will surface one day or the other. And at the rate things are going, the next legislative session won't resolve anything, either. I think that it has been too long since we stopped talking to one another and that it is time we got a dialogue going again. "The five items I am going to list for you," Hugo Schiltz continued, "may ring like an ultimatum in your ears. But they are simply what the Flemish want. Until they are satisfied, government reform will not be complete, and

governments will continue to come up against community-related problems. This is an issue that can sometimes be put on the back burner for 2 or 3 years, but doing so does not solve anything, as the events of the past few weeks have shown. Martens was unable to dam this subterranean river that cuts across the entire world of Flemish politics."

Here are the five demands, as defined by Mr Shiltz:

1. "Regional boundaries are a fact; we do not want any more debate on the subject. If these boundaries are modified, other territorial problems will inevitably re-emerge.
2. "The Flemish political and administrative authorities must have jurisdiction over the entire Flemish territory. Regional government is perfectly able to administer the facilities in the communes currently under the authority of the National Ministry of Interior.
3. "The principle of mutual non-interference must be established and respected. The Flemish community has no right to subsidize cultural activities in French-speaking Belgium, and the French community cannot claim to regulate the use of languages in Flemish localities.
4. "In Brussels, the principle that local Flemish should play a real role at all levels of government, whether regional, metropolitan, or communal, must be recognized and implemented. However, I have no preconceived ideas about how this participation should be achieved.
5. "There must be a direct link in each region between gross regional product, income, and the private tax burden. Interregional solidarity must be made visible and "transparent," and it must be calculated according to objectively measurable criteria."

These statements have the merit of at least being clear, if brutal. Without pausing, Schiltz brought up a recent LE SOIR editorial which brought to the fore our concern to see French speakers respected within a government made up of communities with equal rights. "Where is the problem? I do not think that in my city, Antwerp, the French-speaking community—which is seven times larger than in the Fourons—feels that it is disrespected. It is free to speak French, and to have its cultural activities, and it is recognized and well treated by local government—all because it acknowledges the regional reality, because it knows and accepts that Antwerp is a Flemish city.

"The Antwerp French-speaking community has always been represented on the communal council. They speak Flemish there, because they know that in Flanders you speak Flemish, and they want to be heard. I would say that there is no longer any linguistic problem in Antwerp because the authorities do not feel that they have to defend themselves against attacks from French speakers.

Constitutional Guarantees

The Volksunie deputy does concede that the situation in the big Flemish metropolis may not be the same as in smaller, more conflictual localities, such as our "problem" communes. This is the reason why he proposes the establishment of the principle of government non-discrimination with regard to its citizens.

"Article 6 of the Constitution states that all Belgians are equal before the law. This principle might be extended to include equality before government administrative offices, in order to avoid discrimination. The Court of Arbitration, or some other bilingual constitutionally defined jurisdiction, would rule on any complaints against a national, regional, or communal administration filed by a private citizen concerning discriminatory regulations or individual decisions." He gave as an example a Flemish commune that denied access to government-subsidized housing or refused to grant a building permit because the applicants were French-speaking. It goes without saying that the guarantee would also apply to Flemish speakers in French-speaking Belgium.

"I am defending the liberty of each and all to live in the language of his choice," he stated. "I am not suggesting that the facilities be eliminated, either, but I am convinced that after 10 years under this type of system, they would become superfluous. I also believe that Flemish government offices would be much more relaxed in dealing with French speakers under such a system, because they would no longer feel that they had to be on the defensive. An adult Flanders must learn to live with its minority populations, on condition of course that the principle of Flanders being administered in Flemish at all levels of government be respected.

"But if the conflict of nationalities is not settled, I think that sooner or later there is going to be trouble. The Flemish have never wanted to make the French-speaking part of Belgium Flemish. The Walloons must give up the idea of Frenchifying Flanders, or any part of Flanders.

Establish a Federation

In Hugo Shiltz's opinion, French-speaking Belgium has every interest in true, far-reaching autonomy. "We should start from the principle that we are two sovereign states trying to establish a federation. Perhaps we will then find it in our interest to administer a number of matters jointly, but this time it will be on the basis of perfectly clear agreements."

When it comes to the more specific problem of solidarity between regions, Schiltz does not appear to have any preconceived ideas about possible solutions. When asked whether he was in favor of a German-type system, in which each "Land" has its own tax revenues which are increased or decreased according to tax principles designed to bring [regional] standards of living closer to

the national average, he did not say no. As far as social security is concerned, he envisages a two-tiered system, with responsibilities divided between the federal and regional levels as appropriate.

Finally, on the subject of Brussels, when asked about the highly symbolic issue of the third region, he raised an eyebrow: "What's in a name [in English]? If the Flemish have genuine guarantees that the Flemish of Brussels will play a real role in city and communal government, I have no objection to its being headed by a autonomous political and administrative body that looks after the interests of that city. It could be considered a region *sui generis*."

Can the grounds defined by Hugo Schiltz form a basis for dialogue? The Volksunie deputy feels that it should be possible to start discussions with the French-speaking Socialists and Liberals. "I wonder though about the attitude of the Christian Social Party, which refuses federalism for reasons that have nothing to do with federalism itself but only with its concern to use the Christian People's Party to remain in power."

13014

GREECE

Papandreou Seen Not Heeding Political Signals

35210011b Athens KYRIAKATIKI

ELEVTEROTYPIA in Greek 18 Oct 87 p 48

[Article by Panos Loukakos]

[Excerpts] One year has passed since the municipal elections of 1986, which constituted PASOK's first major political defeat. Thus just like today, a year ago Prime Minister Andreas Papandreou had stated that those elections were sending important signals to the government. And after reading these signals Papandreou thenceforth reshuffled his cabinet three times (30 October 1986, 5 February 1987, 22 September 1987), announced the "reorganizing" of his party, and promised "a new course."

One year after all these things, it is easy to see that neither did the repeated cabinet reshufflings change the situation in the slightest, nor did any reorganization take place, nor is there a new course. It is now clear that the important signals about which the prime minister spoke on the same day last year actually fell on deaf ears.

A short time after the municipal elections there surfaced the well-known scandals that since then have poisoned the political life of the country. And these scandals came into the limelight mainly via the internal disputes within PASOK, when following the electoral outcome the various groups began to blame one another for the election defeat.

Thus we arrive today at an extreme point of political debasement. No reform is looming on the horizon, and ultimately, just as we live with the clouds we are living at last also with the scandals.

In the time that has passed since the municipal elections, PASOK in its general descending course seems to have also dragged down with it Andreas Papandreou himself, who up to then had remained unsullied by the mistakes and the inadequacies of his officers. And this had been shown in the parliamentary elections of 1985, which he had won with a comfortable majority, despite the fact that his administration did not have particular successes to its credit.

But today Andreas Papandreou reaches the front pages of the newspapers not because of his political activities, but because of his personal life. And this will surely bear a heavy political cost at the time when the ballot boxes are opened for the next electoral confrontation.

But the problem is not restricted only to that area. The 1986 municipal elections sent many important signals. Signals that nobody on the government's side wanted to take into consideration.

1. The first of these signals was that the barren anti-rightist rhetoric, the evocations of civil wars, of Makronisos prisons, and of jails no longer pay off in election results.
2. The second is that the communist Left, both on the leadership level and at the grass-roots level, no longer constitutes the rear-guard of PASOK and refuses to be drawn and lured into concocted predicaments.
3. The third is that only a new political cause that breaks down the dividing lines between the Left and Right that have been traditional up to now can at last meet with a response among the electorate. The election success of the mayor of Athens, Miltiadis Evert, showed this.

But it seems that these signals are not being taken in by the once sensitive political antennas of Prime Minister Andreas Papandreou. Had he comprehended them, perhaps today the course of events would have been different.

PASOK would have sought ways of rapprochement with the communist Left, instead of denouncing the KKE even on a daily basis as the "fellow traveler" of the Right. PASOK would not continue to act within the domain of political utopia, in a belief that it can once more generate anti-rightist united fronts based only on a barren dwelling on the past and a hollow rhetoric. Finally, PASOK would not have given up to its opponents the initiative in making political maneuvers.

As matters are developing at present, it seems inevitable that PASOK is heading toward electoral defeat. The result of the 1986 municipal elections was a very serious warning by the electorate to PASOK, but the present majority did not want to either interpret or take into account this warning.

Thus, in the time that has passed since last year's municipal elections the government has not changed in the slightest either its image or its methods or its level of credibility. Indeed, on the contrary it has taken care to add other major political blemishes as well to its already heavy liabilities. Perhaps the only thing that it has managed to do has been to make all the political forces allied against it. All, from the KKE to the New Democracy, are currently making a common demand:

Elections Now by Means of Simple Proportional Representation

And undoubtedly the fact that PASOK has given its opponents room to create a common front around the question of an electoral law and the time for conducting elections constitutes an enormous political mistake by PASOK.

The warning that was sent in 1986 via the ballot boxes has turned into an uproar one year later, an uproar that can be easily heard by those who have ears. A few weeks ago, at the PASOK youth festival, the crowd that gathered at the Zappeion to hear the speech of A. Papandreou was unprecedentedly small, despite the mobilization effort that had preceded it. Similar signals are being conveyed also by PASOK deputies upon returning from their eparchies.

12114

Tendency to Escapism Seen in Papandreou's Recent Actions

35210011a Athens 1 VRADYNI in Greek 17 Oct 87 p 4

[Article by Rodolfos Moronis]

[Text] In recent months, Prime Minister Andreas Papandreou has given the impression of being a resigned man and a recluse.

His actions and his words create the impression that he has decided to withdraw from the political scene, or at least that at this time he has other interests and priorities. A psychoanalyst would regard such behavior by Papandreou as natural: Following 6 years of fruitless efforts, he has finally become convinced of his inability to contribute anything to the country as the head of the government. In private, Papandreou is bound to attribute his failure to his colleagues. Most probably he feels betrayed. And surely he has come to the conclusion that nothing is happening. That it is futile to struggle.

The conclusions that Papandreou has arrived at are correct. In fact his government has no scope for contributing anything to the country. In fact, his government contributed what it was able to contribute in the first months of his accession to power. And since then it has been sinking more and more into impotence day by day. Papandreou is not wrong to feel that he has not been supported substantially by his administration, or rather

by his 13 administrations. But he is wrong to cast all the weight of the blame for his failure on his ministers. He himself has some blame. And it is not easy to answer the question of whether it is Papandreou or his ministers who are more at fault for the path taken by the administration and its record.

The Trips

How a person reacts in the face of a series of failures and disappointments depends entirely on his character. If we were to undertake to form an opinion about the character of Papandreou based on the criterion of the way he has reacted in the face of this situation, we would conclude that he is an erratic person who has difficulty focusing and keeping his attention on a specific plan or goal. Furthermore he is also a person who seeks outside causes for his own mistakes. He is a person who prefers to withdraw rather than confront his difficulties face to face. Papandreou seems to be psychologically as well as physically lethargic. His many trips to other countries, especially in periods when affairs were not going well in Greece, have been a necessity for Papandreou. And it is no accident that it was upon returning from trips that Papandreou made his major decisions on undertaking initiatives that were to turn around the climate and the state of affairs. Who does not remember the statement he made on returning from a trip to Eastern Europe that "now that the trips have ended I will personally assume responsibility for attending to the economy"? After he had escaped far from the problems for a few days, he felt swamped with responsibilities. And upon returning he expressed his decision to confront them. Of course, the commitment was not kept.

Chronic Escapism

Certainly this is the way—failure, escape, commitment, and again escape and again failure—that the remainder of Papandreou's term of office will pass until the next elections.

Perhaps we should note here that by the term escape we do not always mean physical flight. We mean also psychological escapism. And for Papandreou it is escapism of this sort that has characterized the times when, according to reports, he has been occupied with a personal computer for hours on end. This escapism might be manifested by his reading books for interminable hours, or by his devotion to some sport. The infatuation that the prime minister seems to feel these days for a certain person might constitute the present form of the prime minister's escapism in the face of a situation that is especially distressing to him. One could add to this also the fact that these days Papandreou sees as taking on flesh and bone certain of his fantasies and desires that have been unfulfilled over the years. In this way one will form a more complete picture of how far the growing escapism of the prime minister has led him.

It would be brazen and not at all realistic to assert that this escapism on the part of Papandreou, which has taken on a general nature as it removes him from not only his political but also his family obligations, will lead him also to formally resign from his office. Especially since he himself, unconsciously perhaps, attributes to the power of his office his ability to realize his fantasies and his desires. This means that we must learn to live for a certain period of unknown duration with the knowledge that we will have a prime minister who is weak and indifferent about anything positive, but who will be hooked on power.

In the coming months (if nothing earthshaking happens) Papandreou will continue to be marooned more and more on the "island" that he has created for himself. And as the shots fired at him multiply—which is unavoidable—he will feel more and more justified in remaining aloof and far from everything.

At some point, besieged by the true situation, he will be obliged to defend himself. Then he will gather around him "those who are loyal" and will venture a heroic exit. Except that on the way to doing this he will feel that he has fewer and fewer loyal followers.

12114

Renewed Government Initiatives Noted in All Fields

35210014b Athens TO VIMA in Greek 25 Oct 87 p 3

[Article by Mikh. Dimitrios: "The Government Emerges From 'Lethargy': Papandreou's Fall Campaign on All Fronts"]

[Text] Several facts from the government's actions in recent days (which were overshadowed by current developments such as those involving the Messrs G. Koskotas, Theof. Tomba and others) allow us to conclude that the known phenomena of paralysis, the absence of coordination and passivity are things of the past or at least they have faded perceptibly. A new phase, a recovery phase, appears to be opening for the government. It looks as though PASOK is also on the same road, at least at its leadership levels, if one can judge from the organizational and political initiatives which have been decided upon. The meeting next week between Mr Andreas Papandreou and the General Secretary of the KKE Mr Kh. Floraki is expected to strengthen the impression that there will be new "aggressive initiatives" by the government and PASOK (independent of the disagreement on the question of simple proportion and the "gymnastic mobilization" of the KNE).

Although it is too soon for anyone to come to any conclusions regarding the new course set by the government and PASOK (which has always had problems if one can judge solely from the declarations "democratic dialogue and collaboration" in the parliament and in

PASOK's Central Committee dating from December 1985), one cannot disregard certain new facts. New facts of the political scene having special significance. These facts are:

The intense activation of Prime Minister Andreas Papandreou in all the recent governmental and party activities and decisions, and on a more general political level, with his presence in the Parliament the day before yesterday and his meeting tomorrow with Mr Floraki. This intense activation of the prime minister points to initiatives on all levels and brings to a halt—we do not know for how long—"defensive politics."

A certain cohesion in governmental activity which came about after the vice president of the government Mr Agam. Koutsogiorga took on coordination responsibilities, and who it appears monopolizes PASOK parliamentary representative responsibilities. The presence of Mr Koutsogiorga in coordination responsibilities does not appear to be unrelated to a kind of "activation" of the government's project of recent days. Even if this activation has as its main sign the correction of PASOK's old political options (changes in imports, the abolition of article 4, new regulations for the problems, the effort by the substitute National Defense Minister Mr Stathi Giota to increase the role of a part of the military leadership on issues involving military industry, technology, and supplies, changes in the ESY system introduced by the new Minister of Health Mr Gianni Floro, etc.).

The dynamism of the new governmental activities, even if they only involve "correctional changes." Characteristically, the announcements of the KYSYM on the area for the Labor Ministry as well as the new initiatives which the E.G. has decided to take with the leftists has created a "new climate." Moreover, they showed that there are still ample opportunities for positive governmental initiatives. It is, of course, imperative that they be continued under conditions of equal collaboration (as in the instance of the "blind alley" of GSEE's leadership). And the dialogue proceedings must continue on other matters, like the impending new import policy and the mass media.

All these new positive facts from the government and party "redrafting" of recent days are accompanied by some new signs in political life.

First of all, and most important, is the breaking up of the "antigovernment climate" of recent months which had permeated political life.

For the first time one can detect an inclination towards a political rapprochement between the government—PASOK and KKE. This inclination is mutual if one can judge by the way in which "Rizospastis" reacted against the "erotic scandalmongering" and—according to reliable information—the objections which it appears Mr Floraki overdid for his meeting with Mr A. Papandreou.

Moreover, an encouraging factor is the fact that the new governmental scheme, despite the presence of so many "cadres," does not appear to be characterized by an inclination toward "factionalism." If one excludes the unique situation of the Education Minister Mr Antoni Tritsi (whose personal style has evoked intense reactions from the trade unionists of PASOK and OLME and DOE), problems on cooperation, for the present, are non-existent.

All are convinced that from that point of view the government's image needs to be made smooth, and that from common cooperation and the absence of "personal strategists" all stand to gain. In this state of "governmental cohesion"—as illustrated by the collective way in which decisions and announcements are made—clearly a role was played by the "intensive defense" condition of the government and PASOK recently (which was most serious during the 2-year period after the frugal period and the intra-party crisis of October 1985). What is certain—even if the opposite is written—is that there are no frictions and clashes centered around Mr Menio Koutsogiorga, Antoni Livani, and others.

Among the encouraging indications that the government and PASOK are in a phase of recovery and of aggressive initiatives with perspectives, there is also the fact that using Mr Koutsogiorga and KYSYM, the government, using the new Secretariat (Giorgos Papandreou, Kostas Laliotis, and Athan. Tsouras) have acquired some intermediary links which were missing these past months. They were missing because the moving lever of a "coordinating vice president" did not exist in the government (and the presence of a new policy and program was not yet evident). In the Executive Office the "chiefs" were not yet convinced that they would remain in their positions of high party responsibility for a long time. The new Executive, however, as will be shown by the new Council of the Central Committee of PASOK will adopt decisive initiatives for a dialogue with the political and social forces of the left as well as for the "reformation" (at least at the level of enough persons) of the party power of PASOK. Starting today this process is on course with the presence of Mr K. Lalioti in Salonica and the related contacts he will have with the disarmed cadre of the Movement, because of the great opposition evoked in Salonica by the "reformation" matter.

The creation of these intermediary links in the government and in PASOK allows Mr Andreas Papandreou to free himself from "daily proceedings" and to operate with ease on overall plans for the government and PASOK. Which and with what purpose? On early elections perhaps?

The recovery phase is linked by some—even governmental—circles with possible early elections in the spring. There is nothing new or concrete on this issue other than "a feeling" on the part of some ministers. "A feeling"

which is based on the 6-month timetable for action which the vice president of the government Mr Koutsogiorgas has placed on all the ministers and deputy ministers.

Does this 6-month deadline given to ministers and deputy ministers mean anything more than an imperative instruction to speed up the project? Only time will tell.

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Parties', Leaders' Positions on National Issues
35210023a Athens KYRIAKATIKI
ELEVETHEROTYPIA in Greek 25 Oct 87 pp 14-15

[Article: "East of PASOK. Seven Leaders Talk About Fragmentation"]

[Text] How do personalities of the left view the left's role on today's political stage? Is cooperation attainable and how? What position does each party take toward the others?

KYRIAKATIKI ELEVETHEROTYPIA asked Kharilaos Florakis (KKE), Leonidas Kyrkos (EAR [Greek Left]), M. Glezos (EDA [United Democratic Left]), Th. Katrianos (EDA), Nikos Kargopoulos (ASKE [Combative Socialist Party of Greece]), Giorgos Arakhovitis (EKKE [National Communist Party of Greece]), and Stathis Panagoulis (ESPE [United Socialist Front of Greece]). Their answers follow.

"They Can Overturn the Two-Party System"

Kh. Florakis: "Everybody is familiar with the role played by the left in general and above all by the KKE in this country. The entire, long history of the left is interwoven with every democratic and social victory by the people, from their freedoms and the 8-hour day up to the struggle for women's equality, etc. It is inseparable from the struggle for peace and for our national independence, with a high point in our National Resistance during the war.

"There are, however, periods during which, in the nature of things, the left comes to play a critical role in the nation's development and so it is today, when the country is moving from bad to worse under the weight of the two-party system of alternating PASOK and ND governments. Neither PASOK nor ND can provide a solution and a way out of the present situation. Only the left can provide a way out that will benefit the people.

"The forces of the left and of progress, allied on the basis of a single program, can certainly overthrow the two-party system, reject any kind of blackmailing either-or choice, and win a dominant role in political developments; they can deal with the situation and lead the country toward development, progress, the road of change.

"This is the summons and the challenge, I would say, of the present day to all the forces of the left.

"We will continue indefatigably our efforts to turn this hope of a united left into a great new political reality that will put its stamp on the life of the country."

"It Must Itself Change"

Leon. Kyrkos: "If the left is to govern a changing world, it must itself change. The Greek Left is working for this goal with its proposals, its activities, its very independent existence, which signals the necessity for the left to overcome its historical schism and join with the great contemporary movements. That is why we are radically modernizing our analytic tools, our social vision, our programmatic policy, our organizational forms. We have searched out with absolute clarity the stumbling blocks which the historical currents of the left (primarily the communist and social democratic) met with in the practical, governmental realization of their views.

"Because if we do not change all this, we will not be ready, not be pioneers, to meet the year 2000 and its challenges. This is not understood by those who continue to provide leftist alibis for PASOK's unacceptable government policy; by those who do not ponder the mistakes made at all stages and prefer to justify themselves by portioning out history; by those—i.e. the KKE—who talk unity and play with people's sentiments without getting down to political substance, i.e. to the necessary self-examination and programmatic renewal; and by those who further the fragmentation of the left."

Left-PASOK Cooperation

Man. Glezos: "All the fragmentation is due to the fact that the left is trying to find its lost vision. It is also due to the antidemocratic mindset that was against minorities and differing views on tactics.

"The solution is a multiparty organization of the left. Cooperation between the forces of the left and PASOK together to deal with the possible return to power of the Right. There must be social experiments with citizens initiatives. Let the people come to power."

They Must Learn To Speak With a Single Voice

Theod. Katrivanos: "The fragmentation is due to the left's defeat particularly after 1974. Before, when it was defeated without hope of change, then it was cohesive. Freedom has produced centrifugal tendencies; an indicative example is the humiliation of EDA. Now we have new conditions worldwide. Leftist forces must learn to speak with a single voice; they must find a joint basic program on the major issues like the environment, education, youth, health, tourism. This will also satisfy the feelings of the average leftist, who still hopes and struggles."

We Do Not Share That Line of Argument

Nikos Kargopoulos: "The history of the Greek popular movement is a history of up's-and-down's. The people struggle continuously. Thus far the rule has been that they are betrayed by their own leadership. The solutions being offered today by the other parties of the left are deceptive. That is why we do not share that line of argument about cooperation. For our part, we have reason to be very optimistic about ASKE's course and the solution it offers."

"Finally, Let There Be..."

G. Arakhovitis: "Today the left as a whole has been marginalized. There is therefore an imperative need to escape this marginalization. Each party of the left must go beyond its own problems and now, when conditions are favorable, finally, let there be unity. The crisis cannot be dealt with by just one group. This cooperation should not be a mere assemblage of groupings, as in the past, but rather something substantive."

"As Long as We Have..." Reinforced Proportional Voting

St. Panagoulis: "The parties born from PASOK still have not been able to find a common line on which to create an organization capable of playing a significant role in the crisis in which PASOK finds itself today.

"As long as we have the current electoral law, we favor cooperation. That is the only way to break the two-party system." [Box, pp 14-15]

The Positions of the Parties of the Left on Six Fundamental Issues

I. Party: KKE

1. EEC: Get out. But for the present, implement a policy of national development within the framework of the EEC.
2. U.S. Bases: Remove them.
3. NATO: Get out.
4. National issues: Peaceful solution through dialogue on the basis of international treaties.
5. Economic development: Development on socially acceptable terms.
6. Democracy: Expand all people's powers. Multi-party system.

II. Party: EAR

1. EEC: Stay in. Joint program of the Euroleft.
2. U.S. Bases: Against having them. Briefing as to Government moves.
3. NATO: Withdrawal within the framework of abolishing both alliances.
4. National issues: Secure borders. Put the problem into a European framework.
5. Economic development: Modernize the bureaucracy with worker participation. Let us become competitive.

6. Democracy: Transparency. Participation. Effectiveness.
- III. Party: KKE Int.-AA [KKE Interior Renewing Left]
 1. EEC: Stay in.
 2. U.S. Bases: Remove them.
 3. NATO: Get out.
 4. National issues: Aegean: terms for dialogue with Turkey. Cyprus: internationalize the issue, UN. Foreign policy: coordination with European powers, multilateral inter-Balkan cooperation, coordination with Mediterranean countries.
 5. Economic development:
 - a) Worker participation.
 - b) No nuclear energy.
 - c) Use public sector to promote development.
 - d) Decentralization.
 6. Democracy:
 - a) Simple proportional voting.
 - b) Democratize the Army.
 - c) Third-degree self-government.
 - d) Revise the Constitution.
 - e) Decentralize powers. Strengthen Parliament.
- IV. Party: EDA (Lendakis)
 1. EEC: Stay in.
 2. U.S. Bases: Remove them. Not in favor of forcing the issue today.
 3. NATO: Get out. Not in favor of forcing the issue today.
 4. National issues: Aegean: we should not make concessions on our positions; yes to The Hague. Cyprus: internationalize the issue; an independent and free Cyprus.
 5. Economic development: Policy of development. Seek loans from abroad on favorable terms.
 6. Democracy: Decentralized, antibureaucratic government expressed through local self-government.
- V. Party: EDA (Glezos)
 1. EEC: Stay in. At present, however, there is a strong faction wishing to get out of the EEC. Glezos belongs to this faction.
 2. U.S. Bases: Remove them.
 3. NATO: Abolish both alliances.
 4. National issues: Aegean: expand territorial waters to 12 miles. Cyprus: no discussion is possible if the Turkish troops do not withdraw.
 5. Economic development: Policy of development, obtaining energy from domestic sources. Austerity measures not to apply to pensioners and those with low incomes. Development based on small communities.
 6. Democracy: Direct democracy. Citizens initiatives.

- VI. Party: ASKE
 1. EEC: Get out.
 2. U.S. Bases: Remove them.
 3. NATO: Get out.
 4. National issues: Aegean: no discussion with Turkey. Cyprus: internationalize the issue.
 5. Economic development: Socialistic orientation.
 6. Democracy: Expand popular participation to move toward direct democracy. Real decentralization.
- VII. Party: EKKE
 1. EEC: Special relations. Priority on domestic reorganization.
 2. U.S. Bases: Remove them.
 3. NATO: Get out.
 4. National issues: Fight for independence in Greece and Cyprus with primary reliance on our own strength.
 5. Economic development: A new kind of development on socially acceptable terms, moving beyond bureaucratic recipes of the Socialist type.
 6. Democracy: Reject authoritarianism. Demolish the hypercentralized, bureaucratic and oppressive state apparatus by giving power to the people themselves and to the organs of popular power.
- VIII. Party: ESK [Greek Socialist Party]
 1. EEC: In favor, with measures of national priority. Create a domestic front permitting a break at the proper moment.
 2. U.S. Bases: Remove them when the agreement expires.
 3. NATO: Priority on building up a domestic front permitting a break at the proper moment.
 4. National issues: We do not bargain on our sovereign rights.
 5. Economic development: Stabilization through development.
 6. Democracy: Effort at development benefiting workers.
- IX. Party: SSEK [Socialist Trade-Unionist Workers-Employees Movement]
 1. EEC: Get out.
 2. U.S. Bases: Remove them. No plebiscite.
 3. NATO: Get out.
 4. National issues: Reject any idea of bargaining. Struggle for national independence.
 5. Economic development: Escape the crisis. Escape the choices imposed by capital through a process of social transformation.
 6. Democracy: Establish the independence of mass popular movements from governmental intervention and state tutelage.
- X. Party: EMAS [Unity of Marxist Socialists]
 1. EEC: Get out.
 2. U.S. Bases: Remove them.

3. NATO: Get out.
4. National issues: Cyprus problem: internationalization but also nationalization.
5. Economic development: Socialistic orientation. Socialization.
6. Democracy: Equal rights. Secure the rights of minorities.

XI. Party: ESPE

1. EEC: Plebiscite so the people can decide.
2. U.S. Bases: Remove them.
3. NATO: Abolish the military alliances.
4. National issues: Aegean: we do not bargain on our sovereign rights. Cyprus: UN resolutions should be implemented.
5. Economic development: Concrete economic program to get us out of the crisis.
6. Democracy: Simple proportional voting is our basic goal for democracy.

[Box, p 15]

When They Were Born

This year the KKE, the oldest party of the left, is celebrating its 13th year of legality; it was founded in 1920.

The other parties were founded:

KKE Interior in 1968. After the split (last year at the fourth congress) the decision was made to found a new party of the left. Thus, the first (founding) congress of the Greek Left (EAR) was held last April.

That same month the founding of the KKE Interior-Renewing Left was announced by the dissidents, headed by G. Banias.

EDA split in late November 1986 during its second congress.

The Glezos wing withdrew from the second congress and decided to hold another congress, which took place in mid-June 1987. This marked the definitive split in EDA.

ASKE was founded in 1983 after expulsions from PASOK.

EKKE was created during the 7-year dictatorship.

The Greek Socialist Party (ESK) was founded last year.

The Socialist Trade-Unionist Workers-Employees Movement (SSEK) was founded in February 1986.

The Unity of Marxist Socialists (EMAS) was founded in 1982 after expulsions and resignations from PASOK.

Finally, the United Socialist Front of Greece (ESPE) was founded in 1984, shortly before the Euroelections.

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Simple Proportional Electoral System: Comments, Opinions

Options Background

35210009 Athens TO VIMA in Greek 18 Oct 87 pp 3-4

[Article by Mikh. Dimitriou]

[Text] Once again, discussions concerning the electoral law and the "front" of supporters of simple proportional representation have intensified recently, with these supporters being "joined" by the head of the New Democracy Party (ND), K. Mitsotakis, who is making this subject to the condition that parliamentary elections be proclaimed immediately. His evident objective is to isolate PASOK politically and to "face down" the government to force it to hold early elections.

Just how heterogenous and opportunistic a political alliance is the coalition for "simple proportional representation and immediate elections" can be shown by giving just two facts:

1. Firstly, that by his political maneuver Mitsotakis is joining "the front of simple proportional representation" with a completely different objective than the parties of the Left—that is, not for the sake of the post-election collaboration of more parties, but for the self-sufficiency of the ND and the passage of a new reinforced proportional representation law.
2. Secondly, that on the issue of the "simple and pure proportional system" the views among the partners of the "front" are not in agreement.

Of course, this does not mean—even if one shares the prime minister's view that "there is no simple proportional system, but many proportional representation systems"—that some commonly acceptable system of simple proportional representation cannot be found, with the central point being the perception of the greatest possible correspondence between votes and parliamentary seats.

What it does mean is that the establishment of a simple proportional system is more difficult than what is imagined by its supporters, because the system of simple proportional representation is above all a theoretical product of the imagination. For example, it is merely enough to point out that in no case can the simple proportional system be implemented in Greece by way of a "national list" of candidates, such as is the case in Israel. And this is because the Constitution, in Article 54, clearly and categorically speaks about the existence of "electoral districts." That is, whatever the electoral system (a subject that the Constitution leaves up to the jurisdiction of the public legislator), it must have "electoral districts" as one of its chief features. And these can be either the so-called confined districts (the old eparchies), in which case we speak of a majority system, or the present nomes, or even bigger electoral districts.

This mandatory condition alone makes matters particularly difficult, especially in fact if one wants to abolish the present division by nomarchies (because at present any simple proportional system operates as a majority system or a reinforced proportional system in the small nomes)—an exceptionally difficult undertaking if one considers that the principle of using the "de jure" and not the de facto population for the allocation of seats continues in effect and remains unchanged.

In addition, the simple proportional system is also associated with the enactment of a minimum percentage nation-wide, even in the case of the "national list." In Israel this percentage, which a party needs in order to be entitled in principle to elect candidates, is 5 percent on a nation-wide basis. In addition, we simply note that also the historical tradition of simple proportional representation in Greece (with the first being the system of A. Papanastasiou) shows that whenever it has been implemented, this system has never been the visionary "simple and pure proportional system."

But if these are the conclusions and the facts on the side of the "anti-PASOK camp," in the camp of the administration and PASOK there is also quite a bit of speculating about a new electoral system. Of course the "green light" has not been given by A. Papandreou for drawing up a new electoral law, but there is no lack of certain high-level discussions and deliberations (even in the week just past).

What are these "scenarios" that are being discussed, and how are views and recommendations shaping up concerning a new electoral system?

First of all it needs to be noted that—with the exception of Apostolos Lazaris—nobody else among the prominent officers of PASOK and the government has raised with the prime minister the issue of instituting simple proportional representation as a new electoral system.

As TO VIMA revealed earlier, K. Laliotis had recommended to the prime minister the introduction of the simple proportional system within the framework of broader initiatives by PASOK on the political and social level, with the goal (exactly as Ap. Lazaris believed and believes) being the formation of majorities for the administration for many years in the future and with PASOK and its program playing the predominant role. Now, Laliotis is said to believe that there has been a change in the political conditions with which he was linking his conviction about simple proportional representation immediately after the 1985 elections, and that today the reopening of the subject of simple proportional representation by PASOK would be interpreted solely as an act of political weakness. In addition Laliotis is said to believe that in order to enact simple proportional representation, what is needed first is (the probably impossible) "programmatic agreement" of the parties of

the Left and PASOK on a number of basic issues and problems, so as to safeguard in earnest and in advance any post-election collaboration in the administration.

It is clear that in the government camp the leading idea is that of a new power to govern alone by PASOK as a goal of future elections, whatever the extent of the presence of those who are pessimistic or those who "generally and vaguely" support the view about cooperation with the Left. What is certain is that the paramount and undisputed (at least not appreciably) strategic choice is and remains the "new power to govern alone," whose chief supporters are Menios Koutsogiorgas, Giorgos Gennimatas, Akis Tsokhatzopoulos, and all the other prominent persons in the administration and PASOK.

Precisely this paramount political option (and not the opposite) is what determines the deliberations and discussions and even the "scenarios" concerning the new electoral system. Because according to reliable reports such deliberations are going on, however much they have yet to enter the stage of materialization or even the serious preparation of certain plans.

Of course, this finding does not claim to be a novel one, since similar thoughts and recommendations have been chronicled in a good number of publications.

The precondition is, of course, that of the limits (constitutional, political, administrative, and so forth) of these "scenarios"—that is, just what possibilities the government has for enacting a new electoral law. Which of the variety of "scenarios" can truly serve its political aspirations (that is, the power to govern alone), and which are "fabulous," such as the assertion that the system of the national list can be introduced, on the model of the deputies of the Council of State and of the Eurodeputies? (It should be noted parenthetically that the system of electing the deputies of the Council of State is not, as is being written, that of simple and pure proportional representation, because the *dond*, a type of mathematically based reinforced representation, is applied to the unallocated seats from the "first allocation." In connection with the electoral system of reinforced proportional representation that Koutsogiorgas has recommended and that was used for the 1985 elections, there are virtually no possibilities for changes aimed at strengthening the first-place party. This system, whose chief feature is to reinforce the strength of the first-place party from the seats (16-17) of the third allocation, is open to many kinds of changes, but only in the direction of simple proportional representation (for example, an increase of the "plus one" to "plus two" for the first allocation, an allocation by appellate-court districts based on the largest unallocated remaining seats of the parties and not on the total of appellate-court district votes, which are recounted in favor of the large parties in the second distribution, and so forth), but this is something that the government does not want.

It is asserted by many people that the new administrative division of the country by the creation of 13 regions by the former minister of the interior, Menios Koutsogiorgas, concealed an intention to replace the present appellate-court electoral districts by the 13 regional districts, thus favoring PASOK in the future in elections based on either the present or another electoral law.

This assertion is not true. Because if one looks at, for example, the division of the geographical regions of the Peloponnisos, of Western Sterea, of the Ionian Islands, and of Ipeiros, he will find that in some places (such as in the regional administration of Akhaia-Aitolioakarnania, Ileia) PASOK is favored and in other places the new "appellate-court" division is to its detriment.

Of course, this does not mean that the government cannot aim at some other regional/appellate-court division based on the present electoral law and on the principle of reinforced proportional representation generally. However, a basic limiting condition of any "recipe" and of any "scenario" is the majority of votes of the first-place party, even if only by one vote, in the country as a whole and in the new districts. If this prerequisite does not hold, no reinforced proportional system can give more deputies to the first-place party than to the second. In addition—even if the contrary is expressed—in order to achieve governmental self-sufficiency, namely the electing of at least 151 deputies, the first-place party must in any case get at least 43 percent nation-wide, and even 44 percent if it is to have a margin of safety in case the second-place party gets 40-41 percent (as undoubtedly can happen even if the ND is frozen at its electoral strength of 1985). These two prerequisites are a *sine qua non* for any improvements in the present system and in some such reinforced proportional representation generally.

In addition these two prerequisites are imperative also in the case where the government might like to modify the present electoral law in the direction of the "majority" system—that is, by the abolition of the "plus one," the abolition of the *nomes* and the creation of inter-nomarchy electoral districts, and the further strengthening of the second and third allocation. These methods are considered to carry a significant political cost.

The conclusion that the leeway for political maneuvers is exceptionally narrow for the government at present, since in the end the electoral system is conducive to the diverting away of seats (but only provided that a party has come in first in votes) also encourages a deeper exploration of and research into the system of "two rounds," of "two voting Sundays." Of course, just as it is true that within the government there are supporters of this system, it is equally true that this electoral device lays claim to being an invention of universal application. First of all, it should be noted that the two-round system as it exists

in France, with the absolute majority determinative in the first round, is based on the "single seat" idea (old *eparchies* in Greece) and concerns the election of a portion of the deputies and not the choosing of a governmental majority *per se*. In France, the governmental majority emerges in the second round as the result of elections to a certain number of single seats between the two top vote-getting candidates of the first round, and does not emerge from any "bestowal of seats" by the electoral system.

Thus there is no precedent for the sort of two-round system that is being invoked by its supporters. In addition, according to the views of constitutional experts—which have been made known to governmental circles—this system is unconstitutional, since it is deemed to annul the principle of the simultaneous conducting of elections that was legislated for the first time in 1964, precisely in order to end the status quo of sectional elections and the unavoidable influencing of the electorate.

The same constitutional experts maintain that their line of argument is enhanced also by the provision in Article 51 of the Constitution that decrees the simultaneous conducting of elections throughout the State, and by other constitutional provisions (allowances of time from the day of the elections for the formation of the Chamber of Deputies, the administration, and so forth), which also support the view not only that the parliamentary elections should be held on one and only one day but also that these elections cannot be conducted by way of two different electoral systems (one on the first Sunday, another on the second). Among the political arguments—but of course not those of political reaction or of the view that this system is "the syndrome of the second-place party, which forcibly becomes the first-place party"—there are also certain arguments that nobody can ignore because of their very serious consequences.

Specifically:

that with the two-round system, simple proportional representation is not established in the first round, since for example the 200 allocable seats as a limit of allotment increase by one third the present electoral proportion in each *nome*;

that a minority party in the first round can get more seats in the second round than the party that arrives at this round in first place; and

that thus the principle of "declared preference" is annulled and the political situation is strongly polarized.

Caution Urged for ND

35210009 Athens I VRADYNI in Greek 19 Oct 87 p 5

[Article by Stamos Zoulas]

[Text] It is clear that the acceptance of simple proportional representation on the part of the New Democracy Party, under the condition of an immediate conducting of parliamentary elections, is based on two assessments by K. Mitsotakis.

Firstly, that with the economic crisis at its highest pitch, with the ebb and flow of scandals, the progressive disorganization of PASOK, and the steep drop in the prime minister's prestige because of the well-known personal affair of A. Papandreou, PASOK finds itself at a very bad moment for getting engaged in an electoral confrontation. Secondly, that the leader of the ND himself is stronger within his party than at any other time, a fact that in any case has a positive upshot and strengthens the power of the official opposition.

In addition it should be stressed that the maneuver by Mitsotakis has become the demand of all parties for "elections here and now," which resulted in definitely making the PASOK position more difficult. And this has been achieved without any substantial things given up in exchange by the ND to the parties of the Left, since its chairman has proclaimed that the ND maintains unaltered its position favoring reinforced proportional representation, which it intends to reintroduce when it assumes power. Moreover the instituting of simple proportional representation depends exclusively on Papandreou, who will decide if and when he will impose it, with the exclusive criterion being his party's interests.

Consequently, the acquiescence of Mitsotakis to the simple proportional system is of political significance only for the short term and is connected solely with the moving up of elections.

Among the broader electorate this new position is assuming the significance of an exceptional concession by the ND, for the sake of immediately dealing with the present situation and warding off an irreparable and looming catastrophe.

For a Limited Time Only

In light of this, the acceptance of simple proportional representation on the part of the ND must have strictly a time-limited character. Because if the objective of the immediate conducting of elections is not successful, then the position of tolerating the simple proportional system most probably will operate against the party of the official opposition.

In the first place a protracted going along by the ND and the Left on this specific issue comes into conflict with the basic strategy of the party of the official opposition, which aims at assigning the blame for the failure of the

socialist experiment not only to PASOK but also to the collaborating Left. And this is because the "coincidence" of the positions of the ND and the KKE on the issue of simple proportional representation is dictated by diametrically opposed acts of expediency. On the one hand the ND is accepting this system in order, as has been stressed, to immediately resolve the impasse to which the country has been led, and with it being convinced that at this time it can exceed 50 percent in electoral strength. On the other hand the KKE and the other parties of the Left have a long-term policy of calling for simple proportional representation, in the first place in order to block the return of the Right to power and in the second place in order to collaborate in the government and to "improve" the socialist experiment, since "without the KKE no change can happen."

Critical Choice

At the same time it is certain that Papandreou also, if and when he decides to introduce the simple proportional system, will arrive at his choice on the basis of the same criteria as those of the Left. That is, because of a realization that it no longer can achieve a self-sufficient majority and that its only hope of remaining in power is a pre-election or post-election collaboration with the Left.

Thus, the prolongation of the ND's position of tolerance to the simple proportional system makes it easier for Papandreou to make a surprise move as to "if" and on the time when he will choose to change the electoral system. But this uncertainty turns out to be to the detriment of the ND, because of two other conditions at the present time. It is certain that the large percentage of undecided voters, which according to the polls is currently in excess of 30 percent, will not be in a hurry to firm up its electoral desires in view of the possible introduction of the simple proportional system. On the contrary, it will probably wait for the creation of one or more new political configurations that in its opinion will be more expressive of its political hopes than the present parties are. Rallying Around On the other hand, because of the particular schematization of our political life the ND continues to be without any kindred parties with which it could hope to form coalition governments in case simple proportional representation fails to secure parliamentary self-sufficiency for it. And this is not all. The existence of the DIANA group, the fact that top-ranking officers have become independents (Rallis, Boutos), and the possibility of the reappearance of a viable extreme-right party all create the prospect of a splitting up rather than a spectacular enlargement of its electoral strength in case of implementation of the simple proportional system. It is notable that in the 6 years that PASOK has governed the country, no less whatsoever of officers from this party to the Right has been seen, which might have been a manifestation of the separating off of Papandreou's centrist voters desired and availed by the ND. On the contrary, all the disputes within and losses by PASOK have been seen in its left

wing. But those canceling membership and those who have retired from the scene still remain potential allies of PASOK, either as persons or as political groups. Given this atmosphere, it is a vexing fact to the ND community that the sole party to have emerged since the 1985 elections, the DI.ANA, on the one hand came from its own flesh and blood, and on the other hand has united with the political forces cooperating with PASOK. Given all these facts, the ND ought first of all to stop its acquiescence and oppose the introduction of the simple proportional system just as soon as it finds that the interlinked objective of the hastening of elections is not succeeding. And secondly it should intensify and energetically reveal its effort to reestablish its unity on the leadership level. Only in this way will it lessen the advantages that the option of simple proportional representation is giving to A. Papandreou, and above all it will acquire a more attractive image among the mass of the undecided voters. This last point is of vital importance, because an overwhelming majority of this portion of the voters, which most probably will also decide the outcome of the elections, comes from PASOK. Thus, a preeminent problem of Papandreou is to again be attractive to these voters who have rejected his socialist experiment. And this effort by him will lose all credibility in the camp of voters with a centrist background if Papandreou—in introducing simple proportional representation—reveals his intention concerning a pre-election or post-election collaboration with the Left. Because then the socialist experiment not only will not be abandoned but will be carried through, thus greatly intensifying the repercussions that the Greek people have suffered in the 6 years of PASOK rule. Whether this portion of the dissatisfied conservative voters for PASOK should be given voice by way of a new political configuration is something for the centrist officers who still remain in Papandreou's party to judge and decide on. And not the deputies outside the ND.

12114

Poll Reveals Better Public Receptiveness of ND

35210014a Athens I KATHIMERINI in Greek
27 Oct 87 pp 1, 8

[Article: "A Significant Turn by the Voters Toward New Democracy: Polls Show ND 35 Percent, PASOK 25 Percent, KKE 15 Percent, EAR 3.5 Percent: Nevertheless, the Electorate Does Not Favor Immediate Elections"]

[Text] New Democracy has a 10 percentage point lead over PASOK since at the present time 35 percent of the electorate is favorably disposed toward the former while 25 percent is in favor of the ruling party. This basic statistic from a recent poll was announced yesterday by the Athen's municipal station at the very moment when the newspapers were describing the unprecedented meetings which took place while Mr Kon. Mitsotaki was in

Kilkis and Grevena and while the journalists were waiting at Kastri for the results of the meeting between Papandreou and Florakis to report on the new opening by PASOK toward the KKE and by extension the left.

The poll which was conducted by EURODIM and whose results were unfavorable to PASOK takes on a critical dimension since:

The polling took place in early October after the promulgation of the new economic policy and after the government's restructuring—actions which undoubtedly had a positive effect on the sector of the electorate which speaks out for PASOK.

PASOK's decline to 1977 levels is accompanied by a further diminution in Mr Papandreou's personal popularity. In fact, while some months ago Mr Papandreou, as prime minister of the country, was favored by 40 percent, in early October his popularity had dropped to 35 percent.

Mr Mitsotaki, president of the New Democratic Party, commented on the results of the polling in a personal announcement in which he emphasized that the poll had confirmed the change which he himself had seen during his travels in the hinterland. Mr G. Papandreou (as member of the party's Executive Committee) commented for PASOK. Characteristically, Mr G. Papandreou considered the situation reversible if PASOK does "good, hard work" during the remainder of its tenure as governing party. In other words he put his finger on the exact reason (the absence of "good, hard work") which has led the governing party into its current decline.

The poll was conducted 1-10 October using a sampling of 600 residents in the Athens, Piraeus, and surrounding areas. The chief conclusions of the poll, as presented by Mr Pan. Dimitras from the tabulation of polling responses, are the following:

1. PASOK has greatly disappointed the people, a disappointment which has grown deeper over the last few months. Thus, if elections were to take place today, the New Democracy Party would win, since it would get the small difference in votes required by the electoral law to form a self-reliant government. But it is also possible that this difference might prove to be even greater since there are so many undecided voters.

If elections were to take place today—according to the question—the electorate (according to the polling sample) would vote as follows:

For ND 35 percent; PASOK 25 percent; KKE 15 percent; EAR 3.5 percent; DI.ANA 1.5 percent; KKE Internal AA 1.5 percent; ESOK-leftist 1 percent; and undecided 17 percent.

2. The evident "discord" between today's parliament and public opinion does not constitute a reason for

early elections in the opinion of the public, an opinion which is in conflict with the view of the leaders of the opposition parties. A majority favoring the immediate dissolution of parliament is only to be found among New Democracy Party adherents. The majority of Athenians do not seek nor do they expect elections before 1989. Thirty-one percent favor the dissolution of parliament and are inclined toward elections; while 58 percent favor the continuation of "parliament's program till 1989." (Eleven percent gave no response.)

3. The multiple research done on today's image of PASOK permits the party's few strong points to stand out, and they are:
 - a. Foreign policy.
 - b. The sustained presence of an anti-rightist atmosphere among those in the extended political leftist sector of the political spectrum which causes 40 percent of Athenians to believe that today's government is more competent than its predecessor New Democracy government, while 44 percent believe that, despite its many weaknesses, PASOK must remain in power to avoid the return of the New Democracy Party. This development can lead not only to the return of many undecided voters to the ranks of PASOK but can invite the additional "hemorrhaging" of communist votes away from PASOK.
4. PASOK's weakest point is clearly its economic policy and its handling of the pollution cloud. But there is also great dissatisfaction on other matters: the handling of the terrorism issue and this year's summer heat wave, scandals and the reorganization of municipal management, along with PASOK's old trump cards health and education.
5. In foreign policy, the relatively good grade given somewhat conceals some feelings of astonishment. Thus, the movement of the Truman statue and the lifting of the state of belligerency with Albania are meeting with disapproval. Similarly, those saying yes to a future plebiscite on the bases do not exceed 48 percent because a sufficient number of New Democracy and PASOK voters, even if they are convinced that the bases must remain if they serve Greece's national interests, are not inclined to participate in such a decision by casting a vote.
6. Finally, it is noted that Mr Mitsotaki's invitation to those outside the New Democracy Party to return to the fold without having to meet any conditions has been accepted by a majority of that party's voters. By contrast, the notion of lining up the forces of the left (either with or without PASOK) divides its voters: in the KKE a majority approves, while the voters of PASOK and the old KKE Internal are divided.

Poll Shows ND Gaining Steadily
35210020 Athens 1 KATHIMERINI
inGreek 1-2 Nov 87 p 4

[Article by Giannis Loverdos]

[Excerpts] As the time for parliamentary elections approaches and the contraposition between the political parties sharpens, the main question occupying the overwhelming majority of public opinion is who will emerge the winner in the coming electoral showdown.

Last week, the municipal radio station, "Athens 9.84 FM Stereo," presented an "Evrodin" poll which attempted to record the tendencies and intentions of the electoral body in Athens and Piraeus. This poll has been commented on and discussed widely by politicians and the press; as a result, many are questioning how much polls are able to accurately forecast the result of the elections, particularly now when, for the first time since 1981, New Democracy is firmly ahead of PASOK.

Forecasts in the Municipal Elections

The purpose of the polls which have been conducted recently, mainly by the two large political parties, is to approximate the result of the coming parliamentary elections so the parties' staffs can develop their pre-electoral tactics.

According to the polls' data which have already been made public, as well as the "Evrodin" poll which was referred to before, we can state certain first determinations about the tendencies and intentions of the electoral body at present.

New Democracy is clearly ahead of PASOK, by 7 to 10 percent, for the first time since 1981. At the same time, the number of those voters either undecided or "not answering" is especially large, unprecedented for the polls which have been carried out in recent years; it fluctuates between 30 to 35 percent. On the other hand, the KKE shows a 2 to 5 percent rise. This difference in relation to the results of the 1985 parliamentary elections is clearly owing to the disappointment of a large part of the PASOK voters in the way in which the governing party is handling power, particularly in the economic sector. Also, the difference which New Democracy has gained in its favor shows that it is emerging as the most likely winner of the elections. Nevertheless, a series of crucial indications leads to the conclusion that the polls conducted thus far cannot forecast the election result with accuracy and that the coming elections will be among the more uncertain. These indications are the following:

1. The number of undecided voters, greater than ever before, shows that many Greeks have been disappointed by PASOK but they are not particularly attracted by New Democracy or by another party. These electors, since they will be obliged to vote in the coming elections, will cast a vote of sufferance for

one of the two largest parties. This party is likely to be PASOK, if it has presented some improvement in the economic sector, particularly because, as old voters for PASOK, they maintain a stronger psychological and sentimental bond with it than with New Democracy.

2. The communists' reaction to the slogan, "Never again the Right," in the 1986 municipal elections may not be continued if the PASOK government presents a persuasive leftist mask, as it has succeeded in doing in the past.
3. The Papandreou government retains the initiative on a series of major issues, such as the bases agreement. Moreover, it may be strengthened by a probable improvement in the national economy.
4. Papandreou's government still maintains the exclusive jurisdiction for the time at which, and system with which, the next elections will be conducted.

The Result Unknown

All the above reasons indicate that, although New Democracy maintains a steady precedence versus PASOK, the election result has not been decided yet, according to the data shown by the polls.

For this reason, the New Democracy leadership is already developing its pre-electoral tactics, giving particular emphasis to its liberal image and its ability to manage the economy more effectively than the contradictory and unsuccessful—as it characterizes it—PASOK government. New Democracy's goal is to increase its credibility and improve its position amongst the undecided voters who, as is shown by all the polls, characterize themselves as liberal.

Furthermore, for this reason, the leader of the official opposition, K. Mitsotakis, reiterates in his speeches the designation "liberal" when referring to New Democracy. He is trying to strengthen the current which exists in favor of his party and make it easier for the undecided voters to support New Democracy.

The results of the two parties' efforts to attract the undecided voters will begin to appear as the elections approach and the course of the country's great problems (bases agreement, national economy, political normalcy, electoral system, etc.) is clarified. At the same time, it will become clear what are the choices and preferences of the Greek voters, who will have the final say about the fate of New Democracy and PASOK.

9247

PASOK Gains Seen as KKE Losses

35210023b Athens I VRADYNI in Greek 31 Oct 87 p 4

[Commentary by Rodolfos Moronis: "Once Again the KKE Has Sacrificed Itself for the Kremlin. The Underlying Significance of the Papandreou-Florakis Meeting"]

[Text] Kharilaos Florakis must have been feeling terribly sad the past few days over how he has been forced to adopt a policy and tactics he knows will hurt his party at

a time when it seemed to be gaining strength from those unhappy with PASOK.

Andreas Papandreou must be feeling particularly happy over how he has managed yet once again to reverse the tide running against him and escape, through a marvelous maneuver, from his isolation of recent months.

The event which resulted in all these reversals—which go beyond the internal conditions in two parties and deeply affect the entire political scene—was the meeting between Papandreou and Florakis last Monday.

Florakis was just asking for what he has gotten. He was the one who wanted to see the Prime Minister. Or, to be precise, he was the one who sought to hold the meeting. (For those who do not see the subtle distinction, I would point out that the fact that Florakis sought to hold the meeting does not necessarily mean that he actually wanted it.)

I do not wish at this point to seek the ultimate causes which led Florakis to Kastro. I will restrict myself to noting that the General Secretary of the KKE took advantage of his meeting with the Prime Minister to take into his own hands the banner of the campaign for the simple proportional voting system. He could not stand the fact that in the eyes of most Greeks the moving force behind the struggle for simple proportional voting was the Greek Left [EAR]. Florakis was unable to hide his complex about the EAR (or about L. Kyrkos personally?) even as he was leaving Kastro in good humor and was facing the cameras of the press corps. He chose that precise moment to go and talk about "cheating spouses."

However, if Florakis only wanted to appear as a standard-bearer, he has paid a very high price for that move. It is unlikely that he was unaware beforehand of what the "contact" with the Prime Minister might cost him. The fact that despite this he sought out the meeting (and consequently also the responsibility for adopting the specific and now well-known policy toward PASOK) means that other causes were involved and made it necessary for him to hold the meeting. It is difficult to say what all these causes are. As a contribution to future historians' study of them, I might mention here the great differences noted in the assessments of Papandreou made by Perissos and by the Kremlin.

At no time, not even when the KKE had absolutely no margin to indulge PASOK, did the Kremlin cease to proclaim its liking for Papandreou, who has performed good services by creating problems within NATO and the EEC and by adopting Soviet positions and interpretations on major issues such as the imposition of martial law in Poland and the shutdown of the Korean jumbo jet over Sakhalin.

The Gorbachev letter to Papandreou, the contents of which were leaked some time ago, provides a revealing view of the Soviet Union's priorities in Greece.

Papandreou could not have hoped for anything more than a meeting with Florakis. In Papandreou's case the reasons for his accepting the proposal are obvious: Florakis' proposal for a meeting freed him from his isolation and broke down the walls that had risen between PASOK and the rest of the political world. And it gave him an opportunity to remind the world that he is the only person capable of leading the left to power.

Papandreou attained everything he set out to. And his success had yet another dimension: it caused confusion within the leftist camp just when there were indications that the so-called small parties of the left were gaining strength.

Papandreou's gain is Florakis' loss. Just when the KKE was calling for early elections with the simple proportional system and held a number of good cards in its hand, suddenly it surrendered unconditionally to PASOK. Elections using the simple proportional system would mean about 30 seats for the KKE in the next Parliament. And that would mean—if the New Democracy did not win an absolute majority—that the KKE would control what happened next, if of course the proportional system had a threshold of 3 percent. The KKE can hope for some advantage in the union movement from the position of indulgence Florakis has once again adopted toward PASOK.

It can still hope that if it does not elect 30 deputies (since it has not secured the simple proportional system), then in the next Parliament it will be the only party to the left of PASOK.

All this is uncertain, however. The only thing that is certain is that once again the KKE is sacrificing its own long-term interests at the Kremlin's instructions. In the eyes of many, it is no accident that the KKE's offer of indulgence to PASOK coincided with the opening of the Aloumina plant and with Gorbachev's "opening" to the "Club of Six" leaders, of whom Papandreou is one.

12593

ITALY

PCI Intellectual Notes Lack of Party Identity, Ideology

35280046b Rome L'ESPRESSO in Italian
1 Nov 87 pp 136-144

[Article by Roberto Cotroneo: "The PCI and the Intellectuals: the Surrender"; first paragraph is L'ESPRESSO introduction]

[Text] After a decade of important and impassioned battles, silence prevails in the Communist culture today. The party's identity is increasingly less clear, and its "intellectual leaders" increasingly less involved. What has happened? Is the PCI really on the threshold of a historic decline in ideas and image?

It is like science fiction, however, it gives the idea: if an alien were for some reason to land in Italy, and, prompted by curiosity, were to ask what cultural identity today characterizes the strategy of the Communist Party, no one would be able to answer with precision. He would encounter silence, he would be given rather vague and generic references, he would be amazed that no one was able to say what is the cultural substratum that holds together a party containing more than a quarter of the voting population.

A paradox? Also that, but like all paradoxes it contains elements of truth. A dual paradox, if you wish, because if the same alien were to have landed in Italy not 10, but even only 4 years ago, he would have been given so many responses that they would have confused him.

Because the history of the PCI, until recent times, had still been one of confrontations, polemics, subterranean currents, and intellectuals who stimulated the party to discussions, and who were stimulated in turn by a party that, uniquely in Italy, regarded its intellectuals as a precious and indispensable treasure, like a decisive force for progress itself.

However, it is not enough to say that a gap has opened between the intellectual consciousness of the PCI and its political apparatus, or at least that is not sufficient: we are facing a situation that cannot be read in only one way, or with a single reading key.

In fact, there is a crisis of culture—and thus also of politics—in the PCI, and there is at the same time a pronounced abdication of initiative among its thinking minds. It is not that intellectuals are lacking, but rather that they have stopped working: they are still doing so, but in silence, on their own behalf, without making it public, appearing once in a while in the newspapers, but without the pyrotechnics that characterized past years. The silence has descended like a curtain. And to continue the theater simile, one has the impression that an act in the political and cultural history of the PCI is closing, not saying outright that there is a possibility of the end of the performance.

A surrender of the intellectuals? "A surrender out of exhaustion," explains Salvatore Veca, philosopher, and for years one of the intellectuals regarded in the PCI as a privileged political spokesman, "A party that has chosen 'siege defense' as the cardinal concept of its policy cannot have more positive ties with its intellectuals."

"What I mean," Veca continues, "is that the Communist Party is going through a profound crisis. A crisis that dates back right to the end of the historic compromise, that is, before the death of Enrico Berlinguer. At the beginning of the 1970's, many intellectuals, myself among them, became close to a party that asserted a strong ideological component, showing itself to be the real alternative force of this country. Shall we call it 'the hope for a change'?"

Let us do so. If we look to the past even only a few years, we will discover that this hope was still quite visible at the beginning of the 1980's. Although everyone lamented the lack of a "dominant theme," and openly contested the historicism of the PCI's political philosophy, the Communist culture could still boast of a considerable will to debate. And also a policy, though tolerated, of an opening to abroad. In those years, there was even born the term "Communist sphere." A genuine new development. It became institutionalized culturally in a "free zone" that only a few years earlier could not have existed. And while R Althusser and Della Volpe already lay forgotten, and people were ironically talking of revisiting them, and while—further—the discussions on the "value theory" (always at the center of the economic debate of the left) might seem, after the latest unproductive attempt 30 years ago by Piero Sraffa, things of another era, there was still success in discussing and creating with great finesse challenges that should have moved that vast apparatus of the party in some way.

Journals such as *LABORATORIO POLITICO* and *CENTAURO* were still proposing tackling the failure of the historic compromise with a demonstration, at least in theory, of a "capacity for governing" that would eliminate once and for all the idea of a party too relegated to an opposition role. This trend, represented by intellectuals such as Remo Bodei, Massimo Cacciari and Giacomo Marramao, was not the only one. Still only 4 years ago, there were the "neoliberals" Salvatore Veca, Giulio Giorello and Marco Mondadori. A mixture of enthusiasm and frequent ideas, even if at times they were too different from each other. And if the neoliberalism from time to time assumed the garments of a neocontractualism or a neo-utilitarianism, the opportunity for a reprinting of John Stuart Mill's essay "On Liberty" gave Mondadori and Giorello the chance to write a preface that was a concrete proposal for opening the way for a conceptual link between a neoliberal culture and a Communist culture, if not outright to a new identity. And then the researches of Vacca and De Giovanni, those of the group of jurists close to Pietro Ingrao, and the positions of Tronti. In short, the panorama was really rich.

Somersaults in political theory and culture? Perhaps, but also a "social-democratic tendency," which took the form of a more or less concealed dream of an Italian Bad Godesberg advanced by intellectuals such as Claudio Napoleoni or Saverio Vertone, assembled around a journal such as *NUOVA SOCIETA* (but also by more external intellectuals such as Vittorio Strada and Gian Enrico Rocco, Paolo Spriano and Salvatore Sechi) contributed to giving a feeling of purposeful pluralism and cultural eclecticism that was stimulating and completely new for an ideological and traditional party. "None of us was really Communist," Veca continues, "one can say rather that we were able to agree with them, that we were able to understand each other. The end of the historic compromise, a political strategy that I always criticized but which had its own logic, meant the end of a will

toward political projection by the PCI. At that point, the party had no other choice: that of regarding itself as besieged by all the other forces and of resisting so there would be no change. The siege strategy is not productive and no longer interests intellectuals such as myself, who are more inclined to attack than to defend themselves."

"End," "crisis," "indifference": words that contribute to forming a sad "register of grievances." Disoriented, incapable of refinding a cultural center on which to converge efforts, and not yet healed from an ideological crisis that particularly struck at the "Marxisms" of the past 30 years, the PCI leaders and the intellectuals have run up against the impossibility of reshaping in new forms a theory of belonging. Or rather of reassembling the progressive intellectual assets of this country under the banner of a new unity, a cultural one before a planning one.

Gone forever the organic intellectual, the man who put his knowledge at the disposal of a social rank and file, the mediator; disappeared the party intellectual who knows perfectly whom he is aiming at when he expresses his opinions; with a crisis in the member and sphere press that can be easily illustrated by citing the collapse in circulation of *RINASCITA* (from 100,000 to little more than 30,000 in a few years), the PCI has assumed a schizophrenic attitude: on the one hand, indifference in contacts with the thinking intellects close to it, and, on the other, an eclectic (more than pluralistic) attitude that indicates a lack of identity.

"This is nothing else but a plan for one's own suicide," says Massimo Cacciari, philosopher, and PCI deputy for two legislatures, but not a card holder for the past 3 years: "The PCI is in the process of arranging its suicide. And it is doing so by opportunistically surviving itself. To the Communist Party the intellectual was everything, rather, if you will permit me, I can say that the intellectual 'was' the party. At the moment the Gramsci-Togliatti analysis of the intellectual fell, the real crisis of the party began. Now tell me what should be done with a party like this?"

On the other hand, the question arises, the impasse of the PCI today seems to have been caused by the modernization that Italy has faced in the past few years. And it is peculiar how the PCI, after for years having anticipated the coming of modernity, to the point of having appeared already in the 1960's as the sole political and cultural force capable not only of not being taken by surprise by the ever more rapid and amazing changes of the so-called postmodern society, but of even predicting it, is today absolutely unprepared in face of social changes that it no longer understands. The PCI had foreseen the end of the Ptolemaic system, and actually in the years when no one was predicting it. However, it has not had the strength and the will to theorize and establish a Copernican system. The surrender, the abdication of

planning are a story that only dates from a few years back: still in the 1970's one could talk about a crisis, certainly, but not yet of an intellectual void.

"In the 1970's we were less tired, there were other years," says philosopher Giacomo Marramao, "but today it would still be possible to demonstrate a degree of intellectual vitality. The strengths are not lacking. Rather, what is lacking is the minimum response on the part of the party. And do you know why? Because the party, indeed the parties, because this is a tendency that also involves all the other political forces, no longer needs an intellectual mediation. It has embraced the policy of common sense. The language of politics has changed, there is no longer need for intellectual legitimacy in the political discourse. Our function has been disposed of once and for all."

However, there are those who point more to a diaspora based on contingent motives of the intellectuals linked to the PCI, than to a historic role disposed of once and for all. Pietro Barcellona, a magistrate and intellectual still linked to the party, while recognizing that the problem of the silence, the tiredness, is a real one, concludes that all this "is a development that goes beyond the problem of the PCI, and that can be applied also to other parties. The politicians are increasingly administrators of policy and decreasingly theoreticians. The intellectuals who experienced Berlinguerism are in difficulty today because they were globalist intellectuals, and today they have become 'minimalist' intellectuals, specialized technicians in the culture. I do not say that the intellectual disappeared when the globalism disappeared, but rather that the intellectual figure that we knew up to only 10 years ago can no longer exist."

Giuseppe Vacca replies: "I totally agree: it is ungenerous to direct only at the PCI a criticism that can be applied to all the Italian political forces. If we really want to talk about surrender, about silence of the intellectuals linked to the PCI, then let us broaden the argument. Let us say that there is an intellectual and political crisis in this country, and that what is happening among the Communists is happening for all. At least, we can say that after the death of Berlinguer it was as if a lid had been removed on problems, contradictions. The crisis of the PCI, of its intellectuals, is more generally one of the entire Communist culture, and it did not start today, or after the election of Alessandro Natta, but rather had been latent—even if covered by the figure of Berlinguer—since the great election victory of 1976."

Disappearance of the globalist intellectual, a cultural crisis afflicting our country, the end of the strong ideologies: everything is possible, but it is nonetheless remarkable that "Communist intellectuals are for the most part keeping quiet at this time of development so important to Italy's history," says historian Massimo L. Salvadori, "though I would like to point out that 'silences' always follow times of too many words, too many

speeches. Perhaps they wish to wait for times of less political and cultural uncertainty to return to clear positions, as also happened in the 1970's?"

"One cannot recover so easily from the 1970's, this is the point," says leftist independent and jurist Stefano Rodota, "but I do not see a problem of speed or inadequacy in the cultural reshaping. It is not a matter of slowness."

"It is rather a problem of 'energy of the Communist sphere.' Somewhat like the traditional energy sources that are becoming depleted. Well, the Communist sphere has consumed, and not in a vacuum, a great deal of intellectual energy in its history. However, energy is not infinite for anyone, not even for a big party like the PCI. I would say that this is physiological, almost natural. The thing that may displease, if anything, is that the lesser energy has been used at times when the Communist Party has had strong ideological and cultural barriers within it. Today, with a degree of openness in evidence, this is not happening any more."

Thus, in Rodota's view, the responsibility falls not only on the Communist Party but also on its intellectuals, who have not shown understanding that this is the right moment for involvement, for pressing their proposals on the party. Certainly, there are themes and possibilities: on the carpet, or right under it, there remain pending important topics, institutional, social and cultural. From debate on the founding of a second republic to the more social issue of the "new poverties" and the "new underprivileged."

From more cultural reflections on the just society to the more political ones on better justice. From environmental topics to youth topics. From the school to the technological transformations of the working world. One cannot continue to simply repeat lists of specific and even thorough proposals. What is lacking is spirit, explanation of the marching direction that they want to propose to Italy of the future. And this evasion by the PCI culture does not involve the fate of that party alone. It also involves and harms the entire debate of the Italian left. Which means broad elements of this country's public opinion. There is silence, too much silence. And this is only a hope. That it is the calm before the storm. But will the storm, if it arrives, still see the PCI?

[Box, p 140]

[Interview with Alberto Asor Rosa by Roberto Cotroneo: Change, and In a Hurry]

"When the party is bare, the intellectuals are also bare." This was stated by Alberto Asor Rosa, teacher of Italian literature at the University of Rome and member of the Communist Party Central Committee. He is an intellectual who for very many years now, without abandoning his work as a critic, has also made the choice of political commitment. To the extent that Asor Rosa is today one

of the most significant voices of the intelligentsia of the Italian left: for lucidity and courage in expressing his opinions unequivocally, but also with seriousness.

[Question] You seem to be a person who is not yet resigned, Prof Asor Rosa. Is that true or not?

[Answer] "It seems to me a rather excessive way of radicalizing the issue. Too psychological. The issue exists: it is true that the policy of the Communist Party is in crisis. Everyone can see that. And it is also true that the relationship between the PCI and the intellectuals has always manifested itself in a way closely connected to the political strategy. Lacking a political strategy results in suspending also the party's intellectual function. Indeed, the situation appears very serious also to me."

[Question] Why?

[Answer] "Because with the PCI crisis there is a broad segment of Italian society that is no longer represented, that no longer knows whom to turn to, that has lost a basic point of reference."

[Question] Are you not amazed at the silence of the intellectuals close to the PCI?

[Answer] "The Communist intellectuals are suffering the political crisis because they can no longer be organic intellectuals. With the disappearance of the organic intellectual, the party intellectual also disappears."

[Question] Yes, but the silence is still not justified.

[Answer] "The silence is due to the fact that the intellectuals count less and less." [Question] Thus, it is an inevitable surrender?

[Answer] "Yes, but a surrender that cannot continue for long."

[Question] Why?

[Answer] "Because within 6 months or a year the Communist Party has to take decisions, has to change."

[Question] Why such rigid deadlines?

[Answer] "I don't want to be schematic. But the more time that passes the greater the danger of a vertical fall, an irreversible crisis."

[Question] In what way is it necessary to change?

[Answer] "In the first place, the program needs to be rediscussed. And it must be made the central element of the political initiative. In the second place, the PCI should complete the leadership change only just started with the appointment of Achille Occhetto as deputy

secretary. Finally, it is necessary to regain the maximum freedom of action toward the other alignments, and a relationship of understanding with its own social elements."

[Question] And the intellectuals?

[Answer] "The new intellectuals from now on are the technicians, the specialists, new elements with which the PCI has lost ties and contacts. The others, the old organic intellectuals, should reformulate their role, make a new beginning, and think in new patterns less tied to the party."

9920

PORTUGAL

Alleged Anti-NATO, Pro-Libyan Azorean Separatists' Attitude

Change of Orientation

35420020 Lisbon TEMPO in Portuguese 15 Oct 87 p 9

[Text] The political orientation of the FLA [Azorean Liberation Front] has changed. The last issue of the bulletin INFORMACAO published by the separatists criticizes the presence of Portugal in the Atlantic Alliance, accuses the Portuguese state of having "offered the Azores" to NATO, transforming the archipelago and its inhabitants into "cannon fodder" and defends the theses of Col Al-Qadhafi and of his various allies.

After accusing Portugal of having involved the Azores in the Middle East conflict during the Yom Kippur war, the separatists affirm that Israel occupies militarily Arab territory belonging to the Palestinian people. "During the 42 years that the Israeli-Arab war has been going on, the Palestinian people have attacked Israeli and North American targets all over the world. By being used as a basis of support for this conflict, the Azores are automatically involved in the conflict and logically constitute a potential target of anti-Israel or anti-American activities."

Criticizing the eventual support that Portugal reportedly furnished Great Britain during the Falklands war and above all the hypothesis that the British would utilize the islands as a basis of support for their fleet, the separatists oppose the facilities that the Portuguese government reportedly granted to the U.S. Rapid Deployment Force in the defense of the oil lanes.

"At this time, the British, American, French and Dutch fleets are threatening the Iranian Islamic Republic in the Persian Gulf. The Iranians are threatening to respond in kind all over the world against the interests of those who are attacking Iran. Men and material are being transported to the Gulf region, with the Azores serving as a point of logistical support. Thus the Azores are in the line of battle."

France is also mentioned in the FLA attack. "France," the separatists state, "is intervening at this time in Chad, is facing national liberation struggles in Corsica and New Caledonia, is expelling ETA members to Spain and is intervening militarily in Lebanon and the Gulf region. There is a French missile control base on the island of Flores, a potential target of any organization against which France is fighting." With this argument, the FLA criticizes Portugal for having ceded the Flores base to the French and demands their departure.

After urging attacks against French and U.S. interests in the Azores, the FLA ends its bulletin by mentioning the need for a change in alliances, based on Azorean independence. "The Azorean people must be free to establish the kind of alliances that are in their own interest and to assume the risks they wish to assume." However, the situation in the Azores is unclear. At this time, there are two factions in the FLA: that of Jose Almeida, and another, more radical and violent, led by someone named Cabral. The latter traveled around the United States and Canada last December in search of support, but it seems that his efforts were not sufficiently rewarded. In spite of this division within the movement, or perhaps because of it, the truth is, according to sources in Sao Miguel, that the FLA is practically dead in terms of organization and of possibilities to project a public image.

Perhaps because of this, Azorean separatists in Lisbon proceeded to "demarches in various embassies last week so that our organization will become known," according to our sources in Sao Miguel. If the change in patronage shown by the arguments and the language now used by the FLA occurred before or after these "visits" to Lisbon

embassies is difficult to ascertain. However, everything points to the fact that they took place before and that this activity is part of the present-day FLA.

Reported Libyan Support

35420020 Lisbon TEMPO in Portuguese 29 Oct 87 p 64

[Text] Al-Qadhdhafi has had a long-time interest in the Azores. The recent Anti-Western and pro-Libyan language of the FLA is only a revelation of something that happened some years ago. TEMPO has learned from well-informed sources that the FLA has been financed by the Libyans at least since 1981.

Another aspect of Al-Qadhdhafi's offensive in the Azores, and particularly in Sao Miguel, is the periodic presence of Libyan war ships in the port of Ponta Delgada, among other Azorean ports. During these "courtesy visits," the Libyan sailors are responsible for veritable "marketing" missions. Thus it is that for years the Libyans have surprised the local population with their expenditures in dollars and with their prodigality. It seems that the objective is to show that the Libyans have more dollars to spend than the Americans themselves.

In Ponta Delgada, all the well-informed Azorean circles have assured us that they are aware of the Libyan objectives and operations in the Azores. However, at no time has any measure been adopted by Mota Amaral's regional government to stop the offensive of Al-Qadhdhafi's and of his separatists.

00020/7310

FRANCE

Multiple Launch Rocket System Production Begins

35190017d Paris L'USINE NOUVELLE in French
1 Oct 87 p 35

[Article signed J.-P. C.: "Arms: Fr25 Billion for Europe"]

[Text] The multiple launch rocket system is entering the production stage. It will bring Fr4.5 billion to the French.

Meeting of the British and French directors of armament in London, visit of Andr Giraud to Rome, French-German military exercise in Bavaria: the Europe of defense is being built and the arms "common market" rapidly implemented. The first example of successful cooperation in this field, the MLRS (multiple launch rocket system), is entering the production stage. Tens of European manufacturers are now mobilized on this continent-wide program: 350 launch vehicles, 200,000 rockets, over 100 million sub-ammunitions. A total of Fr25 billion.

Initially developed by LTV for the U.S. Army, the MLRS immediately caught the fancy of the European military. Four countries agreed to form an industrial organization and build the system under license. It is an assembly consisting of 36 subsystems, whose manufacture and integration were distributed according to each country's orders: 50 percent to Germany (vehicle and rocket integration, hydraulics, ammunitions), 26 percent to Great Britain (electronics, land guidance, ammunitions), 18 percent to France (armored hull, vehicle integration), and 6 percent to Italy (propulsion units, electronics). Most of the subsystems are produced by a single source.

In France, manufacturers will receive Fr4.5 billion in work, as a counterpart for the 55 launchers and 35,000 rockets ordered by the French Army. The leader among them is the "missile" division of Aerospatiale. It will manufacture the rocket containers-launchers and will share the final integration of the vehicle with the German Wegmann. Already, the Bourges center is preparing the halls where the 150 vehicles ordered by France, Great-Britain and Italy will be assembled.

The second largest manufacturer in the project is the GIAT. The Roanne facility manufactures the armored hulls of all European MLRS; the first hulls will come out of the assembly line next year. Creusot-Loire Industry will provide the caterpillars; SNPE [National Powder and Explosive Company] and the Italian SNIA BPD will share the manufacture of the 20,000 tons of propellant required for the rocket motors; and CIMS A [Military, Space and Aeronautical Data-Processing Company] will develop the transmissions. Full production rate will be reached in 1992: 6 launchers and 5,000 rockets per month. Four years later, production will end.

Simultaneously, ammunitions must be developed for these rockets. With increasing sophistication: first, anti-tank and anti-personnel grenades, then antitank mines, and finally "smart" ammunitions—ammunition is said to be smart when a projectile launched above the battlefield will, on its own, home in on its target. This new generation is a priority for Thomson-Brandt Armement. The company joined Martin-Marietta, Thorn-Emi and Diehl to produce terminal guidance heads (six per rocket). A good way to get out of the increasingly crowded mortar market.

9294

Construction Begins on New Tank Landing Craft (CDIC)

35190017b Paris COLS BLEUS in French
12 Sep 87 p 18

[Article: "Construction of the First CDIC Has Started"]

[Text] The Navy of tomorrow is being built... also in Ile-de-France. The French Shipbuilding Company (SFCN) whose shipyards are located in Villeneuve-la-Garenne (Hauts-de-Seine), has won the bid issued by the DCN Central Contract Office for the construction of the CDIC (troops and tank landing craft) for the French Navy.

The CDIC is designed to land military personnel and vehicles from a TCD-90 located offshore to the selected landing beach.

Before starting construction on the joint TCD-90/CDIC military project, the French Navy had the Orage and Ouragan on the one hand and, on the other hand, the EDICs (troops and tank landing vehicles) which were not optimally adapted for use with each other. With the TCD-90/CDIC "system," everything will be in harmony: the two types of craft were designed for each other; the CDICs will indeed be the customized mainstay of the TCD Foudre.

Some may regret the relative comfort of the EDICs (which had been studiously improved according to the proposals and requests of the successive crews), and it is true that the CDICs will offer only scant accommodation. But the CDICs have operational assets which the EDICs lack: a stronger structure; more cargo space (tanks and trucks will no longer have to be shoehorned into the craft!).

Construction of the first CDIC started in Villeneuve-la-Garenne in April 1987. The photograph opposite [not reproduced] shows the rear machinery/accommodation unit, and the drawing shows the CDIC in silhouette. Launching is scheduled for 1988.

9294

Thomson-CSF Tank Simulators for U.S. Army
35190017a Paris *LE NOUVEL ECONOMISTE* in
French 18 Sep 87 p 18

[Article signed V.G.: "Thomson: After RITA, Simulators; U.S. Contract Is a Boost to French Simulation"]

[Text] There is no doubt that America is good for Thomson. When it is not acquiring General Electric's consumer product operations, the company headed by Mr Alain Gomez is being awarded contracts over there. The latest is for the delivery of five armored vehicle control simulators for the U.S. Army. They will be used to train M-60 tank drivers. Although the contract signed by Thomson's U.S. subsidiary, Burtel, is for a modest amount—Fr60 million—it boosts Thomson's credibility in a field, simulation, that is one of its strong points.

With these supersophisticated simulators, which make extensive use of data processing, mechanics and optics, military personnel can be trained in record time: 8 hours on the simulator followed by 4 hours on the tank. The seats, the controls, the instrument panel and the cabin in which the driver is seated constitute an exact replica of a traditional driver's compartment. With picture and sound thrown in. The landscape unfolds on a screen, with its relief, its built-up areas, its winding roads, etc., all accompanied by transmission, wheel and engine noises. As if that were not enough, the instructor, to whom the driver is connected through his headphones, can introduce any difficulty he wants: breakdowns, paved streets, hilly or wooded terrain. He can also alter weather conditions. And the driver's compartment is moving as it would in a real tank: it will roll, pitch, accelerate, etc.

The simulator can detect all the errors made by the driver; its main advantage, however, is financial. It will considerably reduce the cost of training. Actually, tanks have become so sophisticated that the least hour of operation costs a lot. Under these conditions, simulation is a valid alternative. The Germans, who ordered 24 Leopard-2 simulators last year, figure that they will thus save 74 percent on training costs.

With this contract, which it won against General Electric and Link, a Singer subsidiary, Thomson is polishing its image on the other side of the Atlantic. An image that it owes solely to the media impact of RITA, the battlefield communications network adopted by the U.S. Army in 1985.

This new order lends considerable credibility to the company's simulation activities, from which the company expects much. At Thomson-CSF, 1,400 people are working on simulation; at the end of 1986, the backlog of orders for this activity was Fr1.4 billion. The group,

which developed its first armored vehicle control simulator in 1967, has now become the world leader. In addition, it possesses the largest tank driver's training center in the world, the Carpiagne field in the Bouches-du-Rhone.

But simulators go far beyond this sector. They are found, for instance, in civil and military aviation. Next month, Thompson will deliver one for the Airbus A-320. And certain models are also used to train the personnel of nuclear and coal power plants. The world simulator market is now estimated to total some \$3.5 billion. In addition to Thomson, which controls 4.5 percent of that market, the U.S. company Singer, the Canadian CAE and the British Rediffusion are competing. And all fear to be directly hit by the decline in arms orders, in particular from Middle-East countries. Thomson-CSF, which will lay off 2,492 people by the end of 1988, is obviously not free from that worry.

9294

Thomson-CSF Announces Employment Cuts
35190017c Brest *OUEST-FRANCE* in French
19-20 Sep 87 p 5

[Article by Alain Cutuil: "Thomson Brest-Morlaix Confirmed 150 Layoffs"]

[Text] It is now official. The Brest-Morlaix Electronics Center (CEBM) will lose 150 jobs before the end of next year. The management of Thomson-CSF, which controls the center, informed the central work's committee (CCE) yesterday, at a meeting in Paris. During the meeting, over 3,000 employees of the group were demonstrating on Boulevard Haussmann. The Bretons, 100 from Morlaix and over 200 from Brest, had arrived at dawn, by bus. They did not get a chance to discuss the questions which must be asked concerning the future of the Brest and Morlaix plants, either during the CCE meeting or during meetings between the management and the strikers' delegations (the inter-union CFTC-CFDT-FO-CGC [French Confederation of Christian Workers/French Democratic Confederation of Labor/Workers Force/General Confederation of Managerial Personnel] delegation on the one hand, and the CGT [General Confederation of Labor] delegation on the other hand). On Wednesday, the head of the CEBM announced (see *OUEST-FRANCE* dated 18 September) that "the Thomson Company intends to remain present at the tip of Brittany." The unions are waiting for the local work's committee meetings (Tuesday in Brest) to learn more details.

At these forthcoming meetings, the unions will also be informed of the conditions under which supernumerary employees will be laid off. Since the beginning of the year, a plan providing for 300 layoffs over 5 years has been implemented in Brest. Already, people who retire are no longer automatically replaced. The 141 layoffs announced yesterday will accelerate the rate. In Brest,

120 people will be offered early retirement; in Morlaix, 9. In addition, 20 will leave, either under a leave agreement or because of layoffs (with Fr90,000 in severance pay).

Research Center

The CEBM is a victim of cuts in arms orders from the Middle East. Production at the Morlaix and Brest plants depends directly on orders received by the other units of the Thomson group whose activity in the arms sector has also been reduced. Already several months ago, the management announced that it was looking for orders outside the Thomson group. Its goal is to devote 25 percent of its activity to outside orders.

The inter-union committee "questions the efficiency of this strategy." It demands that a Thomson research center be moved to Brest and that the sales department

of the Brest company be expanded. (In Brest and Morlaix, politicians of all parties are now jointly taking steps to that effect.) The inter-union committee "remains concerned as to the future of the CEBM" and fears that "today's layoffs are not merely the result of a decline in orders from Middle East countries, but rather denote a comprehensive restructuring of Thomson-CSF, which would turn to markets with a better profit margin." It recalls that "thanks to its employees, Thomson-CSF still made a Fr2-billion profit in 1986, and that projections for 1987 are higher."

That discrepancy accounts for the slogans chosen by the demonstrators: for instance, "Gomez, see where there is dynamism." (Alain Gomez is the chief executive officer of the Thomson-CSF group). Walking to the accents of Gilles Servat's song, "The Proletarians," they also shouted: "Don't you touch my job" and "No to the death of electronics in Brittany."

9294

GREECE

USSR Ambassador Calls for Increased Economic Ties

35210021a Athens TO VIMA in Greek 1 Nov 87 p 1

[Text] A sensational overture to Greece's business world has been made by the Soviet Union, stating, through its ambassador in Athens, Viktor Stukalin, that it is ready to cooperate, with terms most favorable for Greeks, "to create a new structure of commercial and economic relations which, as a uniform whole, would not suffer the ups and downs of the economic juncture. Times are changing," stressed Stukalin, and "new, original forms of cooperation must be sought."

The Soviet ambassador also proposed "cooperation with Greek businessmen in serious sectors, such as commerce and finance, science, technics, service, tourism, advertising," etc. Ambassador Stukalin stressed that "the creation of joint enterprises is a very promising field in Greek-Soviet relations," invited Greek businessmen to go to Moscow for related discussions and briefly presented the financial incentives for those interested in jointly-held enterprises in the Soviet Union.

Speaking to the second conference of the National Private Initiative Council (ESIP) which began on 31 October in Athens, Stukalin explained that, in the frameworks of perestroika, "the revenues of joint enterprises are formed from the receipts from disposable products on the domestic and foreign market, including exchange revenues. A guarantee of the export of the exchange which falls to their share is given to foreign shareholders. The taxable earnings are, as a rule, 30 percent, but there will also be favorable terms; the first two years the enterprise is exempted from paying taxes," etc.

The Soviet ambassador announced that other countries, such as West Germany, Japan, Finland and Italy, have already proceeded in forming joint companies with Soviet organizations in the USSR and he reported in detail on the development and prospects of Greek-Soviet commercial and economic relations. He emphasized the alumina factory works, the agreement to export Soviet natural gas, the commissions for Soviet enterprises in Greek factories and shipyards and he confirmed that the Soviet government believes that the commercial and economic relations of the two countries "could be oriented to achieving, after 1990, the same high landmarks that characterize the relations, for example, with Austria and Finland."

9247

Reason for Low Productivity Attributed to Politics

35210021b Athens MESIMVRINI in Greek
21 Oct 87 p 6

[Article by K. Kolmer: "Low Productivity a Trap for the Economy"]

[Excerpts] The International Monetary Fund's last report on the Greek economy supports "the need to reintroduce some elasticity in the procedure for fixing

wages and, more specifically, setting the workers' wages free in order to reflect the differences in *productivity* (our own italics).

In addition, the OECD's recent Greek report maintains that "in view of the coming years, the income policy can no longer support the weight of stabilization. The Greek authorities—it writes—have already pre-announced the relaxing of the restrictive income policy, their purpose being to let the *real* salary (editor's note: after deducting inflation) correlate with the profits of *labor productivity*" (our own italics).

Our own prime minister, A. Papandreou, encouraging laziness and extravagance, stated in Salonica (5 September 1987) that "the goal of our income policy for 1988 is to increase the workers' *real* disposable income. This increase will come from two sources mainly: from the increase in nominal wages and decrease in taxation. More specifically, beginning on 1 January 1988, rent subsidies for the low-paid workers will be implemented. A third source is the 'productivity primes' which the employer and workers in each enterprise are able to agree on while in negotiations—under the condition that the increase in productivity can be measured and controlled objectively. Also, so that there is no increase in cost and loss of competitiveness, the increase in productivity must first be realized and verified and then rewarded. Prepayment against a future rise in productivity is not allowable; nor is accepting the criterion of productivity to be a pretext for uncontrolled increases of a general nature."

For many years now we have been witnesses to the stagnation, or even substantial decrease, of the Greek economy's productivity compared to other economies in which productivity is increasing.

More specifically, labor productivity in the manufacturing sector has remained unchanged in the last six years (1982-1987) and, in fact, showed an absolute decrease in the years 1982-1985. In contrast, the competitive countries have appreciably improved labor productivity in the same period, by percentages which fluctuate from 35 percent in Spain to 16 percent in Italy.

What, however, does labor productivity mean and why has it decreased in Greece while it has increased in the competitive countries?

First of all, productivity is the correlation of two magnitudes: the volume of the product—for example, how many pairs of shoes per shoemaker or how many tons of steel per worker in the steel industry in a certain period of time (month, day, hour)—and, second, the component factors of production which were employed in the specific activity (for example, 100 workers and 100 million drachmas fixed capital).

What factors have caused a drop in productivity and competitiveness in Greece in the last 13 years? There is only one answer: the politicians! Look and see why:

The Reasons for Low Productivity

Usually cited as reasons for low labor productivity are the inadequate technical training of the workers (unprofessionalism), the insufficiency of the mechanical equipment (outmoded installations), or the lack of modern management (family structure of enterprises) and, macroeconomically, the drop in savings (disinvestment).

In Greece, several of the reasons referred to may contribute to the progressive slipping of productivity—such as, for example, the drop in investments in 1986 to levels lower than those in 1973!—or it may even be attributed to all of these together, except for a drop in savings which, to a certain point, increased at a rate of 25 percent a year, but were not directed to productive investments. The basic peculiarity of the Greek *counterproductivity* (a 1-percent decrease in productivity since 1974) is found in the strong influence of politics on the production cost per product unit. In other words, an autonomous, exoeconomic factor—the action of politicians, parties and trade unions—has aggravated extraordinarily and excessively the cost of production and caused productivity to plunge.

However, why politics have reacted catastrophically on productivity is not as clear as in other countries—because there also it is encountered but not acknowledged.

In Greece, by contrast, the tendency of the politicians to buy the workers' vote with *real* increases in their salaries above their productivity only partially explains the sliding of the Greek economy's competitiveness in the last 14 years despite the repeated devaluations and slipping of the drachma (see *The Competitiveness of Greek Products 1980-85*, May 1987, KEEM [Exports Research and Studies Center]). This is because the reason is indistinct and is connected to the fierce interference of politics in the distribution of resources and the market's mechanisms. For example, politics in Greece interferes and has the first say:

1. In the banking system: Aside from the fact that the politicians appoint the governors of 90 percent of the Greek banks, a large part of the bank capital (65 percent) is directed to financing the public sector, which is, by definition, counterproductive. Of the remaining part of the deposits, 25 percent is directed to productive branches by administrative decisions which have supplanted the market mechanism with the absorptiveness of credits. (The things said about liberalizing the banking system are idle tales for savages and small children, since the interbank interest rate recently fell to...2 percent!)
2. In the pricing system: Thanks to an artificial lowering of the price index, prices are immobilized on the basis of the "cost and percentage of profit" formula. Thus,

however, the most productive enterprise in the branch (with low cost) is penalized and the firms with low productivity (for example, the fertilizer industries) are rewarded.

3. In the tax system, where such inconsistency and uncertainty prevails that, in combination with high inflation (which, again, is caused by politicians), every effort to improve productivity is disadvantageous for the enterprises.
4. Finally, in the bureaucratic ankylosis, which is produced by the clientele relationship between party leaders and employees engaged in the public sector, and between administration and those administered. The bureaucracy acts as a vital brake to improving productivity and competitiveness because the parties impede every effort to modernize so "vested interests" will not be touched.

Profit an Enemy

The basic reason, however, for the Greek economy's low productivity is the politicians' persecution of *profit* from enterprises. We would say that profit is the number-one enemy of the PASOK "politicians," far outdistancing Turkey, NATO and the United States. (Recently, the "metropolitan EEC of the monopolies" was transferred from the list of the nation's principal enemies to that of the unimportant ones, while Papoulis proclaimed Bulgaria and Albania...national benefactors.)

In 1986, net profits in the Greek economy represented 5 percent of the invested capital, versus zero in 1985 and -15 percent in the period 1981-84, and compared to 9 percent in the 1960's. Conversely, the interests on deposits are 15-19 percent, inflation is 16 percent officially, 25 percent unofficially (AEP [Gross National Product] disinflation), and speculative profits lately on the stock exchange are from 10 to 200 percent, with a ratio of prices to profit from 40 times to immense (in the latter case we are talking about bankrupt enterprises whose shares are raised in price "by a so-called foreign buying interest"—if it is possible!).

Under these conditions, the industries decline, the workers idle about and the politicians live like sultans. The peak of Greek counterproductivity explains why the parties increase their productivity (for example, PASOK went from 12 percent of the votes in the 1974 elections to 26 percent in 1977 and 46 percent in 1981) at the expense of the Greek economy. A persistent investigation would prove that labor productivity in Greece is inversely proportionate to the productivity of the parties in power, whichever these may be. The Greek economy's productivity is not going to increase if the parties do not stop having the goal of power through exploitation of the voters' frivolousness.

The opinions expressed in this article are independent and are not binding to MESIMVRINI, nor do they necessarily express its political line.

Advantages Deriving From Alumina Plant Operations

35210015 Athens TO VIMA in Greek 25 Oct 87 p 49

[Article by G. Kralogos: "The Alumina Plant Will Begin Operations in 1992"]

[Text] The entry of an industrialized Greece into a unified Common Market in 1992 will coincide with the appearance of the Greek public sector in one more significant entity in heavy industry: an alumina plant for which the cornerstone will be laid the day after tomorrow, Tuesday, by Prime Minister A. Papandreou. What is involved is an entity linked with the alumina circuit and with the Greek mining sector whose creation went through many stages of positive and negative developments.

The founding of an alumina industry in Greece was decided upon by the government as within the scope of realizing the long-term Greek-Soviet cooperation program which was signed by the president of the Ministerial Council of the USSR Mr N.A. Tikhonov and Prime Minister A. Papandreou on 22 February 1983. To carry out this investment plan an agency named "A. E. Greek Alumina" was set up. After difficult and long drawn out negotiations with the Soviet Union, Greek Alumina (ELVA), which is an offspring company of ETVA, signed the following contracts which cover Greece's relations with the USSR in bringing about the realization of this great investment project:

1. A 13 September 1985 commercial contract with the Soviet's Raznoimport, for the purchase of 380,000 tons of alumina per year from ELVA for 10 years, at a value of approximately 80 million dollars per year.
2. A 7 April 1987 technical contract with the Soviet entity Tsvetmetpromexport which will sell a total of approximately 160 million dollars worth of equipment and services to ELVA for the construction of the plant.
3. On 7 April 1987, following the failure of negotiations with Bulgaria on the absorption of 220,000 tons of alumina annually, ELVA signed a second commercial contract with the Soviet's Raznoimport for the absorption of a quantity of more than 220,000 tons of alumina having a total value of approximately 40 million dollars.
4. A loan contract with the Soviet Foreign Commercial Bank (Bank for Foreign Trade of the USSR) which involves financing by the Soviet bank of ELVA's purchase of Soviet equipment at a level of approximately 135 million dollars.

The plant will be constructed in Boetia's Thebes region and will produce 600,000 tons per year (with a potential to double the production) of metallurgical alumina of the "sandy" variety, a quality of alumina in demand in the world market as a raw material for the production of aluminum.

Construction work is expected to take 4 years and will require the employment of approximately 2,500 people at its peak. When the plant is in operation (expected to begin in 1992), the plant will employ on a permanent basis approximately 650 people, made up principally from residents of that area who will be given training in specialized programs.

Seventy billion drachmas will be expended of which 35 billion will be in foreign exchange.

The red mud which is the most significant residue of the plant will not be spilled into the Gulf of Corinth but rather will be deposited on land, in a specially designed basin with a water-tight (if necessary) bottom.

ETVA is characterizing this investment as one of the country's largest in the last 20 years, and lists it as within the framework of decentralized development because, as the bank notes:

It raises the very low level of this part of Boetia Province where agriculture is the only source of income for the inhabitants and whose agricultural production is very poor when compared with other more fertile regions in Boetia (Kopaida, the Thebes plain, etc.).

The establishment of the plant will attract other investment initiatives for setting up productive entities to service the plant (i.e. spare parts, consumables, etc.) resulting in the further development of the area.

A training foundation will be created for technical specializations required by the investment, which, in turn, will raise the level of the education of the youth in the area and improve their occupational placement.

The domestic goods market will be strengthened region-wide through housing development, a strengthening of the market (foodstuffs, clothing, entertainment, etc.).

Finally, the cultural movement will be elevated by the establishment in the area of personnel with a high level of education (scientists, technicians, etc.) who will have an effect on the remaining agricultural inhabitants.

13041/09599

NETHERLANDS

Ruding, De Vries Differ on Extent of Budget Cuts Needed

De Vries' Norm

36140003 Rotterdam NRC HANDELSBLAD in Dutch 7 Oct 87 p 3

[News analysis by Kees van der Malen: "Parliamentary Group Leader De Vries Introduces New Norm: 'Total Expenditures Must Not Go Below 60 Percent of National Income.'"]

[Text] The Hague, 7 Oct—Dutch policy has a new norm since yesterday—the 60-percent norm. It was created by the CDA [Christian Democratic Appeal] Parliamentary

Group Leader in the Second Chamber B. de Vries. Unlike the 40-percent norm of former PvdA [Labor Party] Leader J.M. den Uyl, the 60-percent norm does not relate to the desired size of his party, but to the desired level of collective expenditures after 1990.

De Vries presented his 60-percent norm at the general debate in the Second Chamber as a financial bottom line for the efforts of the government. The collective expenditures—the total of expenditures of the government, the local authorities and the social funds—in his view must not go below 60 percent of the national income in the long term. Based on the size of the national income at this moment, that comes to a total amount of about 240 billion.

The 60-percent norm is primarily a political norm. With it, the parliamentary group leader of the CDA indicates the level at which he wants to keep collective expenditures, and with those, the scope of public care. The norm is not a firm macro-economic target figure, but rather a signal: we can retrench this much, but no more.

Differs With Ruding

The cabinet is budgeting the collective expenditures at 64.5 percent of the national income for next year, and at the end of the government period a level of about 62 percent must have been reached. After that, in De Vries' view, there won't be any room left for real sizable sustained retrenchments over a number of years.

By taking this position, the parliamentary group leader dissociates himself both from his party associate Minister of Finance Ruding and from his coalition partner, the VVD [People's Party for Freedom and Democracy]. Both the CDA minister and the liberal government party are still working toward considerable curtailments in the collective expenditures. De Vries no longer sees those possibilities. Last year in the general debate he also took a different position from the minister of finance. At that time it was his criticism of the overly strict financial character of the budget; now the CDA parliamentary leader, who has become more self-assured, presents his own norm.

With his setting of a norm, De Vries not only dissociates himself from the minister of finance, but at the same time he tries to commit the prime minister. To that effect De Vries constructed the following comparison. In 1973, the year in which the Den Uyl Cabinet took office and Lubbers had his political debut as minister of economic affairs, the collective expenditures were at a 50 percent level. Almost 10 years later, in 1982, at the time the first Lubbers Cabinet took office, the level was around 70 percent. Now, wouldn't it be pleasant for the current prime minister—thus De Vries philosophized—if shortly, after two Lubbers cabinets, the collective expenditures were stabilized at a level exactly in between those—thus about 60 percent?

With his norm, De Vries also takes a stand in the ideological discussion on the "caring," in other words, responsible, society. Many see this new christian-democratic type of ideas, in which the government has a smaller role and social ties such as the family, neighborhood and relatives are given a greater role, as merely a nice label for an economization policy that is not so nice. For example, Minister Brinkman has been emphasizing the idea of the caring society for a long time already, and simultaneously, as minister of welfare, health and culture, he has been making hefty cuts in many social provisions. His missionary policy while simultaneously wielding the chopper is not shared by everyone in his own circle either. CDA Minister of Education Deetman recently stated in *VRIJ NEDERLAND*: "We are simply tightening our belts. That must be done. To do that I don't need the term 'caring society.'"

With his 60-percent norm, CDA Parliamentary Group Leader De Vries places himself between the two extremes, Brinkman and Deetman. He rejects both Brinkman's nonsense and Deetman's no-nonsense. De Vries wants to correct the distorted growth of the seventies, but he considers a radical curtailment of the government care as going too far.

Financial Limit

With his 60-percent norm, De Vries indicates the financial limit for the activities of the government. So far the discussion on the caring society was mainly in abstract terms and the level at which the CDA wanted to retain government care and social provisions was unclear. Basic provisions were guaranteed and floors were envisaged, but nowhere was the level clearly explained.

The 60-percent norm, or an expenditure level of 240 billion guilders, still is a rough standard, but in any event it is a little better indication of the direction the CDA wants to take.

In De Vries' view, our society will continue to be one in which "a high level of basic provisions" is safeguarded and in which the government can fulfill its main tasks "at a high level of quality." He already stated to his coalition partner VVD earlier that he was not striving for "American conditions." He suggested to opposition Leader Kok yesterday that, with respect to other countries, even the PvdA should be able to recommend a small government based on a 60-percent norm as "civilized."

Ruding Wants More Cuts

36140003 Rotterdam NRC *HANDELSBLAD* in Dutch
8 Oct 87 p 3

[Report by political editorial staff: "Ruding Wants To Economize More Than De Vries After 1990; Disagrees With Plea for 60-Percent Norm"]

[Text] The Hague, 8 Oct—Minister Ruding of Finance believes that considerable retrenchments on government expenditures will be possible also after the current cabinet period. Thus he disagrees with CDA Parliamentary

Group Leader De Vries who wants to set the collective expenditures after 1990 at a fixed level of 60 percent of the national income for a long term.

During the General Debate of the Second Chamber yesterday, Ruding opposed a fixing of the collective expenditures. He said that the cabinet does not have a certain standpoint on the right or desired level of the collective expenditures, but he saw no reason to assume that a further decrease to below 60 percent would be impossible.

The minister of finance therefore referred to the beginning of the seventies when the collective expenditures were swinging around 50 percent of the national income. According to De Vries, the interest charges were, however, considerably lower at that time. Ruding emphasized, however, that at that time the volume of subsidies and benefits was considerably lower. He is of the opinion that sizable economizations are still possible, particularly in the subsidy regulations. According to De Vries, Ruding is "too optimistic" in that respect.

The minister of finance further pointed out to De Vries that the volume of the collective expenditures will also decrease if economic development turns out to be favorable. De Vries countered that with greater economic growth, civil servants would demand an improvement in wages, and society would then feel the need to expand the government provisions again. De Vries bases his plea for stabilization of the collective expenditures after 1990 on the necessity to keep government care at a stable level. He believes that at a level of 60 percent both the main tasks of the government and the basic social benefits can be sustained at a high level.

The cabinet refrained yesterday from taking a position in the discussion between the coalition partners on the desirability of a further decrease in taxes after 1988. Ruding did not give in to VVD Parliamentary Group Leader Voorhoeve's request to give his opinion on the desired size of the tax burden. "That is a political preference. I don't give my opinion on that. And one can't say who is right either," according to the minister.

Ruding, for that matter, said he did not know whether there would be room to decrease taxes further after 1988. He emphasized that the tax decrease proposed for next year is primarily the result of incidental windfalls in tax income. The VVD desires further tax decreases after 1988 also, and to this effect it refers to the government accord. The CDA parliamentary group takes the position that no absolute agreement on that was made in the government accord.

36140003

PORTUGAL

Statistics on Trade Deficit, Trading Partners
354200013a Lisbon DIARIO DE LISBOA
in Portuguese 22 Oct 87 p 11

[Text] The cumulative Portuguese trade deficit for the first 8 months of 1987 was 377.5 million contos, or 58.4 percent larger than in the same period of 1986, according to the latest official statistics released today.

Data from the National Statistics Institute, INE, show that the value of imports during the period rose to about 1.2 billion contos, which is a 29 percent increase relative to the same period of last year, while exports reached 830.7 million contos, compared with 697.9 million contos in 1986, representing a 19 percent increase.

Thus the extent to which imports were covered by exports increased by almost 6 points; imports as a percentage of exports fell from 74.54 percent in August of 1986 to 68.76 percent in the same month of this year.

When calculated in terms of United States dollars, we see that the deficit grew by 68.1 percent. The rise was concentrated, according to INE data, in imports of machinery, equipment, and electrical goods, which totalled 231.7 million contos during the first 8 months of this year, an increase of 40.9 percent over the same period of 1986.

According to the INE, this August once again saw the ebb in foreign trade flows which is characteristic of that time of the year. Sharp drops occurred in both imports and exports.

Portuguese overseas sales were hardest hit by this decline; they slid about 32.5 percent down from the average for the 7 previous months, while imports fell by 24.6 percent.

The seven leading suppliers to the Portuguese market during January to August of this year were, in descending order, the Federal Republic of Germany (176.4 million contos), Spain (140.9 million), France (135.7 million), Italy (110.9 million), the United Kingdom (101.6 million), and the United States (60.6 million).

These countries sold Portugal a total of 726.1 million contos in imported goods, which was 60.1 percent of total imports.

Portugal's six biggest customers during the period under review were France (137.4 million contos), Federal Republic of Germany (127.6 million), the United Kingdom (113.2 million), Spain (70.3 million), the Netherlands (55.1 million), and the United States (54.2 million). These nations bought 557.8 million contos worth of Portuguese goods, i.e., 67.1 percent of total exports.

Portugal had imported 773.4 million contos worth of goods from the European Community by the end of August (64 percent of its total purchases). This was equivalent to an increase of 43.7 percent over the same period of last year.

Exports to the EEC rose from 468.1 million in 1986 to 585.2 million contos this year, corresponding to about 70.4 percent of the total, and representing a 25 percent increase.

The deficit in the trade balance with the EEC was, therefore, significantly greater than in the same period of 1986; it jumped from 70.1 to 188.2 million contos.

In terms of trade with the Lusophone countries of Africa, there was a significant drop in Portuguese imports from Angola, but the trade balance with that group of countries is still favorable to Portugal by about 7.7 million contos.

Trade with the OPEC countries fell because of the decrease in imports of unrefined petroleum products from those countries. Such purchases declined from 78.6 to 62.6 million contos.

12830

Angolan Crude Used To Settle Outstanding Debt

35420013c *Lisbon SEMANARIO in Portuguese*
24 Oct 87 p 19

[Article by Antonio Camoes]

[Text] The People's Republic of Angola paid the 1986 interest charges on its debt to Portugal this week. Payment was effected when Petrogal deposited approximately \$12.5 million (more or less 1.7 million contos) into a special account at Banco Portugues do Atlantico in payment for the importation of 100,000 tons of Angolan crude.

The first shipload of petroleum from Angola to Petrogal arrived at Sines at the end of last week. The transaction is included under the financial accord reached between the two countries at the meeting of the Joint Commission held recently in Luanda.

Another shipload, of approximately the same volume, will arrive at Sines in November. Its import by Petrogal will enable the Angolan Government to pay the 1987 interest charges on its debt, as well as part of the principal, calculated at about 70 million contos.

Only general information about the financial accord between Portugal and Angola will be released, since the two countries are not interested in having the details publicized in international economic centers. This is because the Government of Angola has paid Portugal ahead of other countries to which it also is indebted.

During the course of the discussions held to prepare for the Joint Commission meeting, it was said that the contract under which Sonangola would supply petroleum to Petrogal would permit the establishment of a strategic reserve of 300,000 tons of Angolan crude at Sines. That reserve would create a steady source of supply for Petrogal, while also enabling Angola to honor its commitments to Portugal.

The possibility of Angola selling petroleum to European countries through Portugal was also suggested during the Joint Commission preparatory meetings.

Four Ships Per Year

As far as we could determine, four 125,000-ton ships are to arrive in Portugal every year, beginning in 1988, carrying crude from Angola. Just in 1988, the Angolan Government is supposed to repay Portuguese creditor banks (Banco de Fomento Nacional, CGD, BPSM and other) about 8 million contos.

Petrogal's purchase of about 500,000 tons of unrefined petroleum products per year from Sonangola will also enable the Portuguese company to fill a quota of 20 percent of its annual purchases.

This export of petroleum by Angola will also make it possible for the country to honor its debts to Portuguese companies—obligations not included under the financial agreement between the central banks of the two countries, and not covered by Cosec, the government insurance company.

The meeting of the Joint Commission is also said to have reached an agreement on Portuguese financing of the repair work on the Barragem de Lunaun electric power plant. The first and second phases of that project involve investments of 1 million and 2 million contos, respectively.

12830

ERDF Grant for Energy, Transportation Infrastructures

35420013b *Lisbon O JORNAL in Portuguese*
30 Oct 87 p 5

[Text] The European Regional Development Fund has allocated about 10 million contos to be used between now and 1991 for programs intended to increase potential energy resources, and 7.9 million contos for major transportation infrastructure projects.

The European Commission recently approved the intervention program set up by the Portuguese Government to carry out the Valoren community program, which is being implemented concurrently in seven EEC member countries.

Most of the total grant to Portugal for the 1987-1991 period (75 percent of it) is intended to be used in developing renewable sources of energy; 20 percent is for activities in the area of the rational use of energy, and the remaining 5 percent is for promoting better use of Portugal's internal energy potential.

The bulk of the Community's contribution toward mastery of alternative energy sources will go to the so-called minihydroelectric plants (24 percent). Solar energy will get 19 percent, and energy from the biomass 14 percent.

The minihydroelectric plants are located in the northern and central regions and in the Azores and Madeira. The solar energy plants are in the central region, Lisbon, the Tejo valley, Alentejo, the Algarve, and Madeira. The biomass projects are found throughout the country, particularly in central Portugal, Lisbon, the Tejo valley, and Alentejo.

The remainder of the grant will be divided among projects to harness the energy of wind (6 percent), obtain energy from solid urban waste (6 percent), develop geothermal energy (2 percent) and research (4 percent).

Major Projects

The Community's share in major transportation infrastructure projects will come to 73.3 percent of the 7.9 million contos allocated by the ERDF; 12.9 percent of the remainder is earmarked for energy infrastructure. All the approved projects involve new construction.

In the northern region, scheduled to receive 4.7 million contos, the major projects approved include a new terminal, aircraft parking areas, cargo terminal, control tower, and technical facilities for the Porto airport.

In that same region, a merchandise terminal is to be built at Sao Mamede de Infesta, and railroad equipment workshops at Custoias, and the high school at Braganca.

In the central region, the 597 million conto appropriation is for the University of Aveiro.

In the Algarve, the entire 1.5 million conto grant will be used to build new facilities at the Faro airport and to set up an instrument landing system.

In Madeira, the Inverno hydroelectric plant at Calheta will receive a million contos.

Portugal has already received 36.46 million contos under the ERDF this year. It has used 31.46 million for investment projects and 4.74 million for internal energy source exploitation programs.

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